

AGRICULTURAL OUTLOOK

January/February 1984

Economic Research Service
United States Department of Agriculture



EC Policies in Flux—Good or Bad for U.S. Trade?

AGRICULTURAL OUTLOOK

January/February 1984/AO-95



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In Brief. . . News of Farm Demand, the Recovery Here and Abroad, EC Issues

Because of improvement in the economy, demand for farm products will probably pick up in 1984, especially for red meat and restaurant food.

Although foreign demand for farm goods is also expected to increase, it will still be constrained by the sluggish and uneven recovery abroad, the high value of the dollar, and large supplies of some commodities overseas. Somewhat higher inflation and interest rates will mean a slight acceleration in farm costs. Real interest rates will stay high, so farmers with relatively little debt will continue to fare better than highly leveraged producers.

The new dairy legislation, which will pay farmers for milk production cutbacks, may reduce 1984 output by 2 to 10 percent. It probably will also prompt producers to cull their herds, raising beef output, especially in the first half of the year. Total meat production in the first half may be up 2 percent from a year earlier. Moderate increases are likely for beef and pork, but broilers may be down 2 percent.

Increased imports will partially offset the fruit and vegetable losses that resulted from last December's cold spell. Additional frozen concentrated orange juice will come from Brazil to help make up for the 17-percent drop in U.S. citrus production. Mexico will ship the U.S. extra vegetables this winter, particularly since a decline in the peso's value has made Mexican imports cheaper.



Large disappearance during the fall quarter pulled feed grain stocks on January 1 down to 37 percent below a year earlier. Farm prices of corn are expected to average between \$3.20 and \$3.40 a bushel for the season. Domestic disappearance of wheat during June-December 1983 also rose, as more wheat was fed to livestock. Nevertheless, the chance of significant improvement in prices is slim: winter wheat has experienced good growing conditions, spring wheat area will probably be bigger than last year, and good crops abroad will preclude a major increase in U.S. wheat exports. Soybean prices will probably strengthen. Buoyed by the tight stocks-to-use ratio, prices for the season may average between \$7.50 and \$8.25 a bushel.

The outlook for continuation of the recovery this year seems brighter in light of second-half 1983 developments. First, consumer spending remained strong, as the savings rate increased only modestly in July-December, after dropping sharply in the first half. Second, business spending for fixed investments (primarily plant and equipment) registered an excellent 16.8-percent increase in the second half. Consumers may raise spending another 5 percent this year, encouraged by increases in personal income and the afterglow of last year's stock market rally. Business fixed investment may show a 7- to 10-percent rise this year, as business confidence in the economy grows and greater capacity utilization pushes up demand for capital goods.

Worldwide, the recovery is going less rapidly. A quarter-by-quarter comparison shows that, for the major foreign industrialized economies, the current rebound is less vigorous than that which followed the 1975 recession. Import and export volumes, as well as industrial production, have lagged behind the pace of the mid-1970's recovery.

The EC summit meeting held in Athens in December failed to untangle any of the knotty agricultural problems confronting the Community. Most revolve around money; the EC faces a financial crisis. How the various issues are resolved will affect U.S. agricultural exports, since the EC is both our biggest farm export customer and one of our major competitors in the world market.



Agricultural Economy

After bringing farmers the worst drought in nearly half a century, 1983 ended with another spate of record-breaking weather. At Christmas, a bitter cold air mass lodged over all sections of the country except the extreme southwest. It damaged citrus crops from Texas to Florida and even injured trees. Some winter vegetable acreage was totally destroyed. For livestock, the cold necessitated increased supplemental feeding in most areas.

Despite the severity of the cold spell, though, the overall impact on food supplies and prices will not be great. Additional frozen concentrated orange juice will be imported from Brazil to partially offset the 17-percent citrus production drop caused by the freeze. Extra vegetables will be shipped to the United States from Mexico this winter, especially since the peso has declined heavily against the dollar during the past year.

For livestock producers, the cold induced lighter slaughter weights and stretched-out production schedules, but death losses were minimal. In addition, the new dairy legislation may prompt dairy farmers to ship more cows to slaughter than they did in 1983, adding to total meat output. Thus, the net effect of the December

cold on meat supplies was slight. However, a continuation of unusually bitter winter weather would severely test available forage supplies, resulting in increased nonfed cattle slaughter.

The recent outbreak of avian flu, although very worrisome to poultry producers in the East, probably will not have much effect on total poultry meat supplies. Influenza is not unusual, but the strain that hit the Mid-Atlantic States this year is killing a high percentage of the chickens and turkeys affected. Several areas in the region have been quarantined. Infected flocks are being destroyed and indemnity payments made to owners.

Nevertheless, broilers destroyed in December and early January equaled only about one-half of 1 percent of the federally inspected broiler production—too little to significantly affect supplies. The flu's impact on egg production, though, has been greater. Combined with strong demand, the losses of layers have pushed up egg prices. Meanwhile, egg producers in other areas are holding healthy layers in flocks longer and force-molting more birds in an effort to maintain production and take advantage of high prices. Losses to laying flocks will probably be made up this spring.

The dairy legislation enacted in late November is expected to cut milk production in 1984, but to raise meat supplies in first-half 1984. However, some of the dairy cow beef may be held in cold storage and find its way onto the market later in the year. Also, major exporters of beef to the U.S. may delay shipments when manufacturing beef supplies here are large. The added dairy beef may make broiler producers hesitant to adjust production schedules upward until they know more about 1984 feed supplies.

All things considered, meat production will be large in the first half, perhaps 2 percent above a year earlier. Moderate increases are likely for beef and pork, but broiler output is likely to

be down 2 percent from the January-June 1983 level. In the second half, pork production probably will be off 6 to 8 percent from a year earlier and beef production may run 5 to 7 percent lower, as fewer fed cattle and dairy cows are marketed. This summer and fall, broiler producers may raise output about 5 percent from the same period of 1983, encouraged by less competition from red meat, more abundant feed supplies, and continued increases in consumer incomes.

Farmers will likely plant more acres to major field crops this spring; with average weather, harvests will probably be larger than last fall. But total retail food prices will increase 4 to 7 percent during the year, up significantly from the 2-percent increase in 1983, when farm prices were hard hit and inflation was extremely low. The gain in 1983 was the smallest in 16 years. Farm prices of meat animals will rise this year, but crop prices likely will decline as harvest approaches. Farm income could jump into the \$29- to \$34-billion range, with much of the increase coming from rebuilding of crop inventories depleted by last year's drought and PIK program. [Donald Seaborg (202) 447-8376]

LIVESTOCK HIGHLIGHTS

Cattle

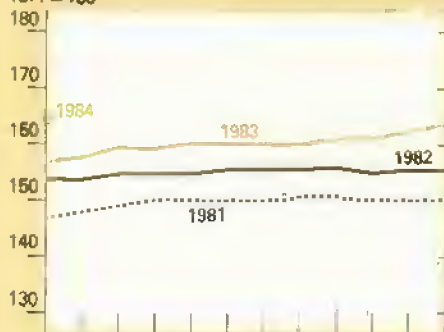
The inventory of cattle and calves in the United States on January 1 was 114 million head, down 1 percent from the 115.2 million recorded a year earlier. The number of beef cows was also down 1 percent, while the number of beef replacement heifers, the base for future expansion, declined 2 percent. The 1983 calf crop was estimated at 44.1 million head, down 1 percent from 1982—the third consecutive year of decline. The supply of feeder cattle outside feedlots on January 1 was down slightly from a year ago. Supplies of yearlings rose 2 percent, while the calf supply declined 2 percent. Consequently, there is an adequate number of feeder cattle to support larger placements on feed and on nonfed slaughter, but supplies will be tightening through spring.

Declines in beef production in 1984 will be moderated by increased dairy cow slaughter. The extent and timing of this slaughter are uncertain, although it will likely be heaviest in February-May.

Prime Indicators of the Agricultural Economy

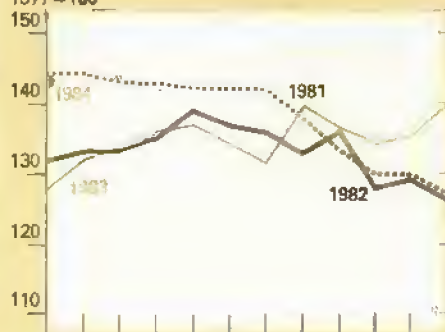
Prices paid by farmers¹

1977 = 100



Prices received by farmers²

1977 = 100



Ratio of prices received to prices paid

Percent



Fertilizer prices

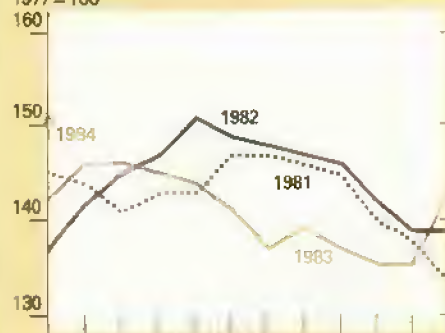


All crops

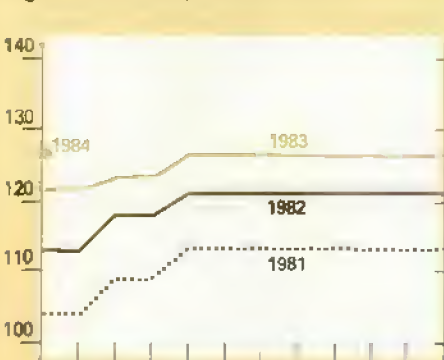


Livestock and products

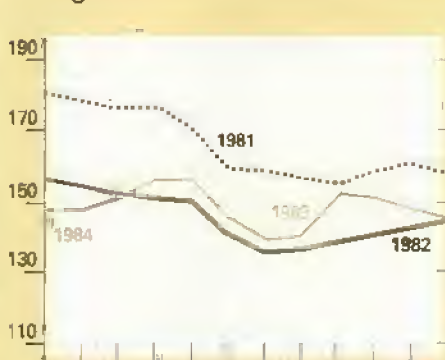
1977 = 100



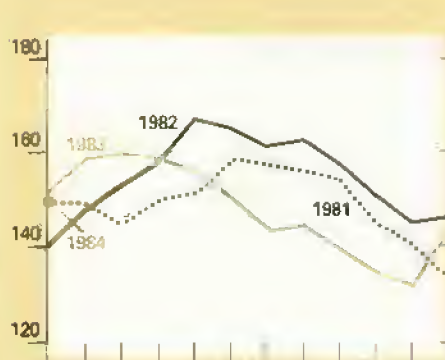
Agricultural chemicals



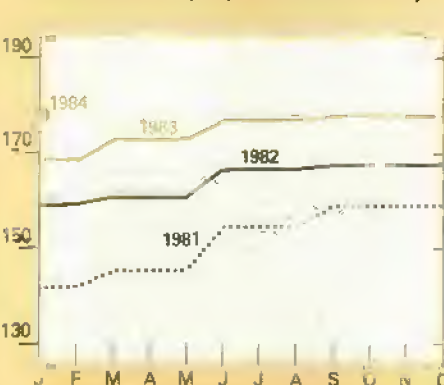
Food grains



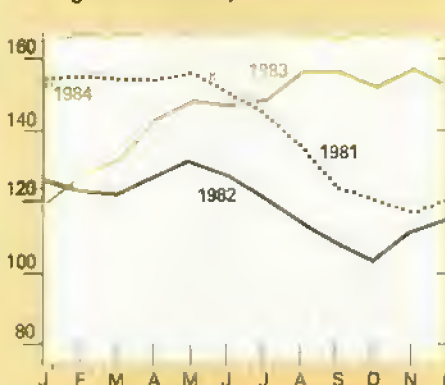
Meat animals



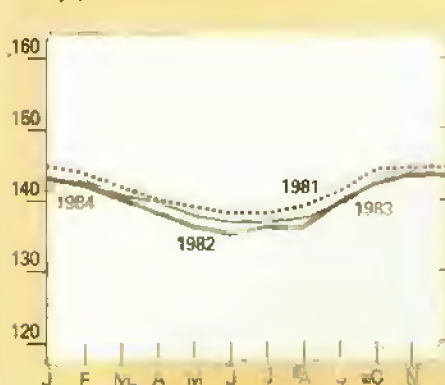
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages.

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products

Overall, forage supplies should be tight but adequate to carry larger numbers of cattle through spring unless the winter continues to be unusually severe. Widespread bitter cold since late November has required increased supplemental feeding in most areas. A continuation of this winter scenario will severely test available forage supplies, resulting in increased nonfed slaughter. Weather effects have largely been restricted to weight losses, as death losses have been minimal.

Beginning this spring, fed beef production will decline from the higher levels of 1983, but it will remain above the low marketings in 1981 and 1982. The number of cattle on feed in the 13 major feeding States on January 1 was 4 percent below a year earlier. Poor weather in December slowed marketings, while at the same time forcing cattle off wheat pasture and corn stalks into feedlots. Net feedlot placements during October-December were even with a year earlier. Fed cattle marketings during the fall quarter were 1 percent larger than a year ago. Feedlots remain current.

Fed steer prices at Omaha are expected to average \$61 to \$65 during the winter quarter. Recent high prices have been due to seasonal declines in meat supplies as well as the replenishing of supplies in the marketing channel after the holidays. Severe winter weather also drove up prices. Prices for the remainder of 1984 are likely to be in the mid-\$60's. The greatest strength will occur in late spring through midsummer. Larger quantities of beef are likely to be added to cold storage stocks during the first half as additional dairy cows are slaughtered. Hence, even as total meat supplies decline from the record 1983 levels, working off these larger beef stocks will hold down price gains. Utility cow prices may average only in the lower \$30's this winter, rising to the mid-\$30's this spring and nearing \$40 in the second half. Sharp increases in dairy cow slaughter during some weeks in 1984 could push cattle prices even lower than these levels, particularly for cow beef.

Prices for yearling feeder steers at Kansas City have strengthened since fall; however, they will continue to be influenced by weather developments and grain price movements, especially this winter. Prices are expected to average in the mid-\$60's this quarter, weakening from present levels before strengthening again in late winter. Prices next spring and in the second half are likely to average in the upper \$60's, possibly reaching the low \$70's at times. [Ronald A. Gustafson (202) 447-8636]

Hogs

Hog producers indicated on December 1 that they intend to have 5 percent fewer sows farrow during December 1983-May 1984 than a year earlier. The spring pig crop will likely be down even more, because average litter size probably will not reach last year's record 7.52 pigs. Breeding and conception may have been affected by both last summer's extreme heat and this winter's severe cold. In addition, baby pigs are very sensitive to cold temperatures. The inventory of all hogs and pigs on December 1 was estimated at 55.8 million head, up 3 percent from a year before. The market hog inventory, at 48.5 million head, was up 4 percent. The breeding inventory, at 7.35 million, was down 1 percent.

Commercial pork production during fourth-quarter 1983 totaled about 4.2 billion pounds, up 16 percent from a year earlier. Slaughter rose to 24.3 million head, up 17 percent. The average dressed weight fell to 173 pounds, though, compared with 175 in 1982. The drop was largely due to higher feed costs.

Slaughter in the first quarter is drawn mainly from the December 1 inventory of market hogs weighing 60 to 179 pounds, which was up 5 percent from a year earlier. However, the June-August pig crop, which is normally slaughtered in the winter, was up 10 percent. So, first-quarter commercial slaughter is projected to increase 7 to 9 percent from last year. Commercial pork production is estimated at about 3.75 billion pounds, an 8-percent hike from last year.

Spring slaughter comes mainly from the December 1 inventory of hogs and pigs under 60 pounds; this category was up 1 percent from a year earlier. Slaughter this spring is projected to be

about the same as a year earlier. But, if 1984 corn plantings suggest a large crop, pork producers may begin retaining gilts to increase the breeding herd, thus lowering slaughter in the second quarter. Because of high feed costs, the average dressed weight is projected to be 1 to 3 pounds less than 1983's 174 pounds. So, commercial production in second-quarter 1984 is expected to be about 3.67 billion pounds, down 1 percent from spring 1983.

Market hog prices in fourth-quarter 1983 averaged \$42.18 per cwt. After sagging to \$38 in mid-November, prices rebounded to the low \$50's in mid-December and averaged \$46.37 for the month as a whole. The runup resulted from lower seasonal slaughter rates, weather-related market disruption, and good retail movement. Prices for January are expected to average near \$50.

Market hog prices in first-half 1984 are likely to average \$45 to \$49 per cwt at seven major markets. Prices will be pressured in the coming months by seasonally higher slaughter rates, additional dairy cow slaughter, and higher retail prices. However, prices are expected to rally in late spring as slaughter declines seasonally. [Leland W. Southard (202) 447-8636]

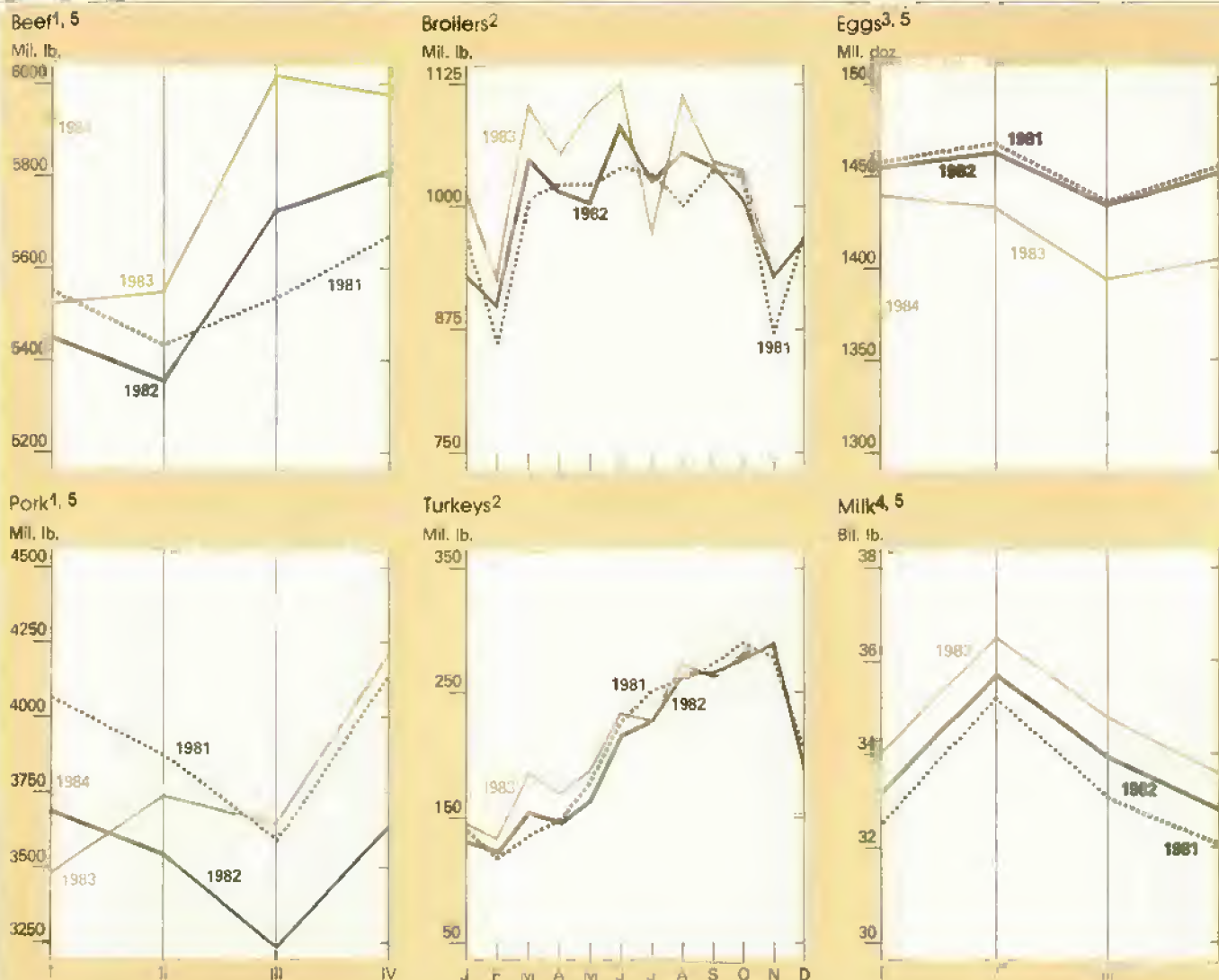
Broilers

For the first half, broiler producers should about break even on whole birds, assuming that they slow production and that the strong economy keeps prices between 54 and 58 cents a pound. Prospects for the second half are brighter; although prices may average no higher, feed ingredient costs may fall.

Production in the first half could be down 2 percent from last year's 6,336 million pounds. Output in the second half is expected to see a 5-percent gain over 1983's production, because of lower feed costs and prospects for less pork production.

Preliminary data indicate that production of broiler meat in fourth-quarter 1983 was about equal to the prior year's level of 2,911 million pounds. Consumer demand for broilers was exceptionally strong because of the

Supplies Update: Livestock and Products



¹Commercial production. ²Federally inspected slaughter, certified. ³Farm production; marketing year beginning Dec. 1. ⁴Total production. ⁵Forecast for latest quarter.

growth in the economy. The 12-city composite price, at 55 cents, was near the usually higher third-quarter level, and was much stronger than anticipated. By comparison, prices averaged 42 cents in the 9 cities in the fall quarter of 1982. Some broilers had to be destroyed in Pennsylvania because of avian flu, but the number was small compared to weekly or daily broiler slaughter. Still, the losses may have had some psychological impact on the market. Also, several fast food chains ran promotions on their chicken items during the holiday season, possibly cutting into supplies of whole birds.
[Allen J. Baker (202) 447-8636]

Turkeys

Unprofitable production during much of 1983 and continuing high feed costs led turkey producers to reduce the number of poults placed for 1984 slaughter. During September-December, poults placed were down 1 percent from 1982. Thus, turkey meat output from federally inspected plants in first-half 1984 may be 3 percent below the 1,044 million pounds produced in first-half 1983. However, with red meat supplies expected to decline and feed ingredient prices likely to weaken, producers in the second half may increase output 5 percent from 1983. Prospects for profits appear unfavorable during the first half but are expected to improve in the last half.

Prices of 8- to 16-pound young hen turkeys in New York have strengthened since last Thanksgiving, suggesting that movement at retail was very good. The holiday movement was confirmed in the January Cold Storage Report. Prices averaged 69 cents per pound during fourth-quarter 1983, up from 64 cents a year earlier. Producers likely made a cent or two per pound. Consumer demand was boosted by the expanding economy, and prices may also have been pushed up by reports of avian flu. Some turkeys were destroyed because of flu, but few relative to weekly slaughter.

Stocks of frozen turkey totaled 163 million pounds on January 1, down 41 million from January 1, 1983. Stocks of whole turkeys were down 47 million pounds from the 134 million on January 1, 1983. Turkey parts—wings, breasts, and drumsticks—were up 7 million pounds from a year earlier. [Allen J. Baker (202) 447-8636]

Eggs

Egg producers cut output in response to high feed prices during 1983. This cutback, combined with the destruction of hens late in the year because of avian flu, reduced output during fourth-quarter 1983 5 percent from the 1,479 million dozen eggs produced a year prior. However, higher prices will likely cut the decline to 2 to 4 percent during first-half 1984. Producers have ordered more replacement pullets, and the table-egg chick hatch was 10 percent above 1982 in December 1983. However, this was the first large increase in replacement hatch and these pullets will not influence supplies until second-half 1984. During third-quarter 1984, egg production is expected to be down about 1 percent from 1983, but it may increase 2 percent in the fourth quarter.

Wholesale prices—for grade A large cartoned eggs in New York—were strong going into the new year. During December, unexpectedly good demand and reduced supplies pushed wholesale prices over \$1 per dozen. Prices for the fourth quarter averaged 91 cents, spelling favorable returns for producers in the second half of 1983.

During first-half 1984, prices may average 90 to 95 cents per dozen, up from 67 cents a year earlier, if egg production goes as expected and the general economy maintains its strength. In the second half, prices are expected to average 79 to 83 cents, about the same as a year before. [Allen J. Baker (202) 447-8636]

Dairy

Under the new dairy legislation enacted last November, milk production in 1984 may drop 2 to 10 percent from 1983. Since dairy farmers will be paid \$10 for each cwt of milk they contract to trim from their 1982 marketings (or their 1981-82 average), a reduction in cow numbers can be expected this

year. The new law will probably also result in lower average output per cow, by prompting participating producers to cut feeding rates and make other management adjustments to get some of their contracted reductions.

The legislation required USDA on December 1 to lower the support rate to \$12.60 per cwt. This will be the support level until March 31, 1985. The new law also requires a 50-cent-per-cwt deduction from all milk marketed, with proceeds going to help fund the paid diversion, and a 15-cent-per-cwt deduction for dairy product promotion. In addition, two further cuts of 50 cents per cwt could be made in 1985 if annual USDA purchases are projected to exceed certain levels. (Provisions of the new Dairy and Tobacco Adjustment Act of 1983 are explained in greater detail in the December 1983 *Agricultural Outlook*, page 7.)

Commercial disappearance of milk is likely to increase this year. Combined with lower marketings, greater use should reduce USDA purchases of dairy products. The all-milk price may run below a year earlier through mid-spring and then, if a better supply-demand balance is achieved, move up to or above a year earlier. For the year, the average price and effective returns probably will not change much from 1983.

Before deductions, the all-milk price received by farmers last year averaged \$13.56 per cwt, 3 cents lower than in 1982. However, when the price is adjusted for the earlier 50-cent deductions, the effective return per cwt is down 51 cents (3.8 percent) from the year before.

Milk cows on farms as of January 1 totaled 11.1 million head, an increase of 20,000 from July 1, 1983, and 64,000 (0.6 percent) more than a year earlier. Dairy heifers (500 pounds and over) held for herd replacement numbered 4.5 million head, slightly above a year earlier. With a gain in cows and heifers, the number of heifers per 100 milk cows was 40.8, about equal to the record level on January 1, 1983.

During 1984, the herd should be reduced not only by the paid diversion program, but also by lower returns for milk, higher feed costs, and better off-farm employment opportunities. [Clifford M. Carman (202) 447-8636]

CROP HIGHLIGHTS

Feed Grains

Revised estimates of the 1983 feed grain crops in early January revealed 1.9 million metric tons more than earlier calculated. The total for corn was increased by 83 million bushels, for oats by 4 million, and for sorghum by 1 million. However, the estimate for the barley crop was decreased by 13 million bushels.

Disappearance of corn during October-December amounted to 2.4 billion bushels, about 150 million more than a year earlier. All categories of use were up, but the rise of 125 million bushels in the feed and residual category was the largest. Disappearance of barley and oats during October-December was also up significantly from a year earlier, but total use of sorghum was down by 96 million bushels. Apparently, sorghum use absorbed the impact of increased wheat feeding during the fall quarter.

The large disappearance during the fall pulled January 1 feed grain stocks down to 155.4 million metric tons—37 percent below a year earlier. Corn stocks were down to 4.9 billion bushels—41 percent less than the 8.3 billion bushels on hand a year earlier and 200 million less than corn use during January-September last year. Consequently, more price rationing can be expected during the balance of the crop year. Farm prices, which averaged \$3.16 a bushel during the first quarter of 1983/84, are expected to run \$3.20 to \$3.40 for the season.

Farmer-owned stocks of corn declined from their peak of slightly over 2.7 billion bushels in mid-May 1983 to slightly under 1.3 billion by yearend. However, most of this reduction resulted from the PIK acquisition program and redemption for market sale. The amount of reserve corn redeemed as PIK entitlement grain by January 1 was probably small; nevertheless, the rate of redemption is expected to pick up in February and March.

The world coarse grain crop for 1983/84 is currently forecast at 688 million metric tons, 12 percent below the 1982/83 record, despite significant production increases in Mexico and

several Eastern European countries. Although some plantings in Mexico were delayed, excellent weather led to a crop 500,000 tons larger than earlier expected. Meanwhile, new information from Hungary and Bulgaria increased the estimate for these countries by 1.3 million tons. The largest declines in estimated crop production were in Australia, down 200,000 tons because of rain, and in drought-stricken Nigeria, down 800,000.

World coarse grain use is forecast at 760 million tons; foreign consumption is placed at 603 million. While overall world consumption is expected to equal a year earlier, consumption by the major importers of coarse grains is projected to increase 3 percent from 1982/83.

World exports of coarse grain are expected to total 88.9 million tons, about equal to a year earlier, but still well behind 1980's large shipments. Total foreign exports are expected to reach 34.9 million tons, up almost a million from last year. The major foreign exporters will likely ship 26.9 million tons, up 2 million from a year earlier. U.S. exports are forecast at 55 million tons.

Uncertainty about some coarse grain crops in the Southern Hemisphere has kept the trade forecast for this region conservative. Continued favorable growing conditions there could push 1983/84 shipments beyond the expected 20 million tons. (Larry Van Meir (202) 447-8776 and Jim Cole (202) 447-8857)

Wheat

Domestic disappearance during June-December increased to over 1.6 billion bushels, reflecting use of a record amount of wheat for livestock feeding. Feed use rose to 360 million bushels, double a year earlier. Therefore, even with exports slightly lower, total disappearance during the first 7 months of 1983/84 was the highest ever. Stocks on January 1, at 2.32 billion bushels, were down 8 percent from a year earlier—the first inventory decline since January 1, 1979. Even with a moderate slowdown in wheat use during January-May, yearend stocks on May 31 are projected to drop for the first time in 4 years.

Despite higher use and lower stocks, the 1984 outlook depends on the

development of this year's crop. With generally good growing conditions for winter wheat over most areas, futures prices for wheat slid to their season low as 1984 began. A large sign-up for the 1984 program could temporarily improve the market, but the larger winter wheat acreage and an expected rise in spring wheat area will probably mean a bigger harvest next summer. The likelihood of a larger U.S. crop, the reduced loan rate, and continued high production abroad limit hopes for higher prices.

The Southern Hemisphere's large harvest will further increase the oversupply. The crop in Australia has surpassed the previous record by several million tons, while Argentina's output is the second largest ever. South Africa's crop is of average size. Combined, these countries' output exceeds last year by almost one-third and surpasses the 1978/79 record by one-fifth.

The Southern Hemisphere's crops, together with large supplies from Canada and the European Community, challenge the United States to meet its export forecast of 38.1 million metric tons. So far, shipments have been on target, but outstanding sales have been extremely low. The U.S. share of the world wheat market is projected to fall below 40 percent for the first time since the early 1970's. (Allen Schienbein (202) 447-8444 and Bradley Karmen (202) 447-8879)

Rice

With U.S. rice production estimated at 99.7 million cwt, total rice supplies in 1983/84 are placed at just under 172 million, compared with 203 million a year earlier. Total use is expected to rise only slightly this season, with increases in food and industrial use offsetting a drop in exports. However, the large drop in supplies will pare ending stocks to around 37 million cwt, down about 45 percent from beginning stocks.

Lower yields, averaging below 4,600 pounds per acre nationally, further decreased the PIK-reduced rice crop. Medium grain production declined 48 percent from last season; long grain, 30 percent; and short grain, a little less than 10 percent. The long grain market is tight, but ending stocks of medium grain rice will still be large, despite the hefty cut in production. Season-average farm prices are still forecast between \$8.50 and \$9.50 per cwt.

World rice production is placed at a record 296 million metric tons, milled basis. Global consumption will keep pace with production this season, but world trade could be the lowest in 6 years, falling below 12 million tons. U.S. exports will reflect this drop; at an expected 65 million cwt, they will be 4 million below last season and over 25 million below 1980/81. (Barbara Stucker (202) 447-8444 and Bradley Karmen (202) 447-8879)

Oilseeds

Cash soybean prices, after averaging about \$8.00 a bushel in late December, dropped into the \$7.25-\$7.30 range in mid-January. This is partially because the January estimate of 1983 production was 4 percent above the November estimate. However, the stocks report in late January showed that disappearance during the first quarter of the crop year had also been higher than expected, neutralizing the higher production estimate. If the short-crop pattern of previous years recurs, prices could strengthen in the second and third quarters of 1983/84. Price gains will likely be needed to pull total soybean use rates below the high first-quarter rate and thus ration supplies. The season-average farm price may range between \$7.50 and \$8.25 a bushel, buoyed by an extremely tight stocks-to-use ratio—expected to be 8.2 percent. However, because of the small 1983 crop, these prices will be more sensitive than usual to the size of foreign harvests, particularly in South America.

Domestic crush this season is expected to total 985 million bushels, falling below 1 billion for the first time since 1977/78. Crush was reported at record volumes in August and September, but fell 22 percent below a year earlier in November. U.S. crush margins exceeded those for Europe from August through November, but by December this situation was reversed. Consequently, early-season soybean exports failed to meet expectations, and soybean meal exports exceeded them.

This season's domestic soybean meal use is expected to decline 9 percent, to 17.6 million short tons. Higher slaughter rates and smaller animal

numbers will account for the reduction, much of which is expected to occur in the last half of the marketing year. Prices averaged \$223 a ton during October-December before falling to \$195 in mid-January. Season-average prices are expected to range between \$205 and \$225 a ton.

U.S. soybean oil production is forecast at 10.9 billion pounds. This is higher than expected because of higher oil yields, over 11 pounds a bushel. Domestic use is forecast at 9.8 billion pounds, with prices between 26 and 30 cents a pound.

U.S. cottonseed and sunflowerseed prices are sharply higher than a year ago because of huge production drops. Although the price premium of these oils to soybean oil may be narrower than normal, their price patterns will be affected by the crop prospects in South America.

World soybean production for 1983/84 is estimated to total 79 million tons, a 15-percent decline from 1982/83. The bulk of the decline was in U.S. output. The U.S. cut will be only partially offset by increases in the Brazilian and Argentine crops.

World soybean exports will likely drop 3.4 million tons to 25.3 million, reflecting reduced supplies in the United States. Mexico, the European Community, and Japan are expected to cut imports. In the EC, supplies of other oilseeds are diminishing, so the Community will probably step up soybean imports in the next few months. However, bean exports to the EC will be off sharply from last year, since higher prices are discouraging soybean meal use in favor of other ingredients in feed rations.

In the soybean meal market, Brazil is expected to export 0.1 million tons more than last year's 8.6 million tons. The United States will export slightly more than estimated last month but 1.0 million tons less than last year.

However, in Eastern Europe, particularly Czechoslovakia, soybean meal imports are expected to reach the 1982/83 volume of 2.9 million tons.

The estimate of U.S. sunflowerseed exports was cut in January to 800,000 tons, with the drop partly offset by higher sunflowerseed oil exports. U.S. shipments of sunflowerseed for the first 2 months were 80 percent below a year earlier, as shipments to Western Europe fell sharply. (Roger Hoskin (202) 447-8776 and Jan Lipson (202) 447-8855)

Peanuts

Despite last year's heat wave, supplies for 1983 remained fairly stable, down only 1 percent to 4.1 billion pounds (in-shell). The stability came from an 8-percent increase in planted acreage (to 1.4 million acres) and a 14-percent rise in beginning stocks (to 864 million pounds). Furthermore, the increased use of irrigation helped protect yields against the drought, with per-acre output off by only 300 pounds.

A stronger economy should lift domestic demand in 1983/84, and exports are expected to stabilize despite an anticipated drop in consumption in some of the traditional importing countries.

Grower prices for 1983/84 are expected to average 25 cents a pound, slightly above last year, while the loan rate for 1983-crop quota peanuts remains unchanged. Contract prices for 1983/84 additional peanuts probably averaged slightly higher than last season, about \$350 a ton, and additionals coming under loan will easily sell for more than the loan rate of \$185 a ton. Given early winter prices of 48 cents a pound for peanut oil and \$245 a ton for peanut meal, the crushing value is running a very strong \$400 a ton. (Jorge Hazera (202) 447-8444)

Cotton

Spot cotton prices declined about 5 cents a pound from early December through mid-January. On January 16, the average spot market price for SLM 1-1/16 was under 70 cents. A larger-than-expected domestic crop of 7.7 million bales, prospects for higher ending stocks in 1984/85, and a 20-million-bale harvest in China contributed to

the price decline. However, when January closed, prices appeared to be strengthening as export sales continued above expectations. During the first 5 months of the 1983/84 season, farm prices averaged 66 cents a pound, up from 59.4 cents in 1982/83.

U.S. mill use is weakening from its August peak, which was near a seasonally adjusted annual rate of 6.1 million bales. During December the rate fell to 5.5 million bales. Cotton continues to lose some market share to manmade fibers; mills continue to lose their markets to imports; and retail textile inventories have been rebuilt to the extent that future mill consumption may only move with consumer purchases. Final figures are expected to show that cotton's share of U.S. mill use of all fibers declined to a record low of about 23 percent in 1983, down from 24.5 percent in 1982. Cotton textile imports last year reached nearly 2.4 million raw-fiber equivalent bales, and the cotton textile trade deficit accounted for 24 percent of domestic consumption, compared with 8.5 percent in 1980. Mill use for 1983/84 is forecast at 5.9 million bales, about equal to the August-December rate of use. Should the growth in general economic activity begin to slow and textile imports continue to grow, even weaker results are possible during 1984/85.

The 25-percent acreage reduction program for 1984, less stringent than the 1983 programs, is expected to result in sharply larger planted acreage this spring. Program participation could range from 55 to 75 percent of the acreage base.

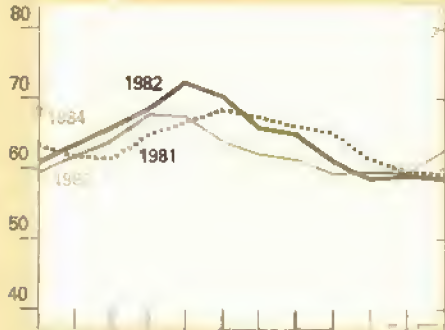
World cotton production for 1983/84 is forecast at 67.5 million bales, near last year's level. A dramatic increase in China's crop has about offset the decline in U.S. production.

World cotton consumption is expected to rise about 2 million bales to 69.6 million this year. World economic recovery, combined with abundant Chinese supplies, will propel the increase.

Commodity Market Prices: Monthly Update

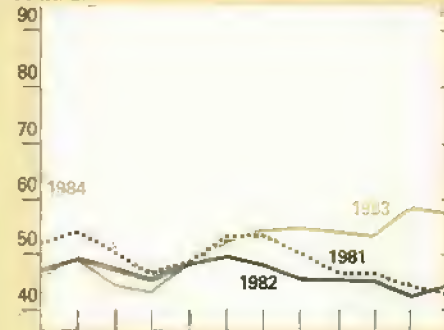
Choice steers¹

\$/cwt.



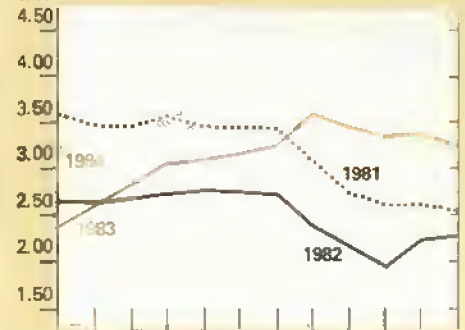
Broilers⁴

Cents/lb.

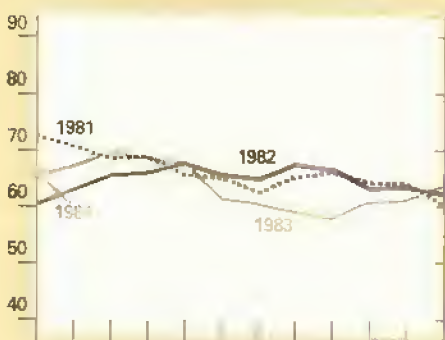


Corn⁶

\$/bu.

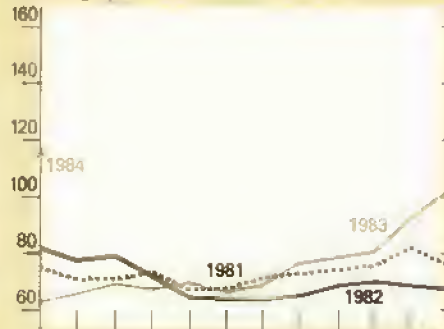


Choice feeder cattle²



Eggs⁵

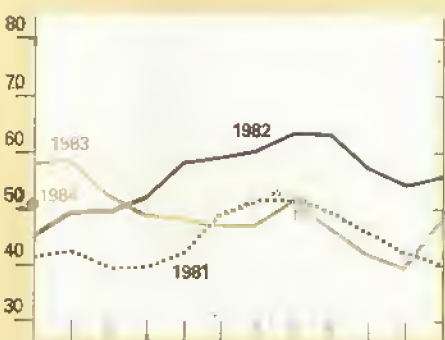
Cents/doz.



Soybeans⁷

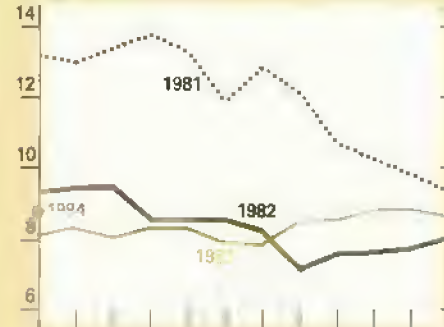


Barrows and gilts³

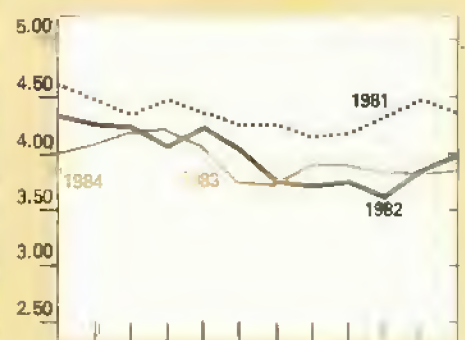


Rice (rough)

\$/cwt



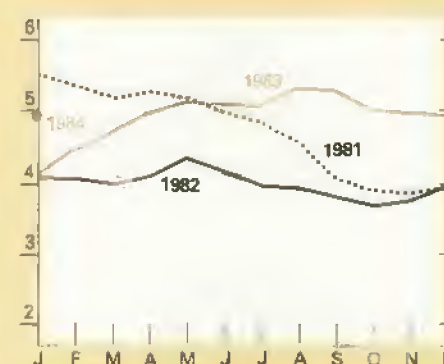
Wheat⁸



All milk



Sorghum grain



Cotton⁹

Cents/lb.



Prices for most recent month are mid-month prices.
¹Dmaha. ²2600-700 lbs., Kansas City. ³37 markets.

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.

⁸No. 1 HRW, Kansas City.

⁹Average spot market, SLM, 1-16."

Strong demand and limited foreign supplies available for export have kept U.S. sales high. The forecast for U.S. cotton exports stands at 6.3 million bales, up about a million from last year. Traditional customers such as Japan and Western Europe have been buying large quantities of U.S. cotton. In addition, new markets have developed this year in countries such as Pakistan, Brazil, and Ecuador. [Terry Townsend (202) 447-8444 and Edward W. Allen (202) 383-9820].

Tobacco

Total U.S. tobacco production for 1983 is estimated at 1.41 billion pounds, 29 percent below 1982's large crop. Declines in both acreage and yields resulted in the smallest crop since 1943. The 1984 outlook points to an increase in production, assuming average yields and an increase in the effective burley quota.

Domestic cigarette consumption during 1983 may have been down 5 percent from a year earlier. This decline, combined with smaller exports, led to a 5-percent drop in cigarette output. With economic recovery and a slowdown in price hikes, though, total cigarette consumption may increase a little in 1984. Nevertheless, per capita consumption will likely decline further. Use of cigars and smoking tobacco will probably continue to drop. The output of chewing tobacco is down, but snuff production is up.

U.S. exports of unmanufactured tobacco during 1983 probably did not equal 1982's 572 million pounds (697 million, farm-sales weight). January-November exports declined about 11 percent from a year earlier. Prospects for this year's exports are also dim, because of the strong dollar, weak demand, large overseas supplies, and the smaller, lower quality U.S. crop.

Imports of unmanufactured leaf and processed scrap during January-November 1983 were 30 percent above a year earlier, and imports for the year probably exceeded 1982's 407 million pounds by a considerable amount. [Verner N. Grise (202) 447-8776]

Fruit

After the late December freezes that hit both Florida and Texas, estimates of the citrus crop were dropped 17 percent from the December 1 figure. The crop as of January 1 was estimated at 11.6 million tons, 14 percent less than in 1982/83. Smaller harvests are probable for all citrus fruits except lemons.

The 1983/84 orange crop is estimated at 184 million boxes. This is 17 percent lower than the December 1 estimate and 18 percent less than a year ago. The Florida crop, now appraised at 129 million boxes, has fallen 13 percent from the high level indicated December 1 and 7 percent from last season's crop. Texas oranges are down 43 percent from December 1 and 47 percent from a year ago. Those in California—which were not affected by the freezes—are up from a month ago, but down 36 percent from last year's record.

F.o.b. prices for Florida early and mid-season oranges advanced from \$5.21 a box before the freezes to \$6.34 afterwards. However, f.o.b. prices for Texas oranges increased only slightly after the cold snap. Nevertheless, the drop in all three crops—Florida, Texas, and California—should keep both farm and retail prices for fresh oranges well above last year for the rest of the season.

The Florida cold reduced orange juice yields from the December estimate of 1.43 gallons per box to 1.23 (42 degrees brix equivalent). Together, the reduced crop and lower juice yield will cut the pack of frozen concentrated orange juice (FCOJ) enough that supplies will be tight unless imports increase significantly.

Before the freezes, canners' list prices for unadvertised brands of FCOJ were quoted at \$3.95 per dozen 6-ounce cans, f.o.b. Florida canneries; afterwards, prices rose to \$4.75. Further price rises are likely, since demand is likely to rise in response to continued economic recovery. However, adequate beginning stocks and prospects for large imports will moderate the increases. [Ben Huang (202) 447-7290]

Vegetables

The bitter cold weather that swept over Florida and Texas during the Christmas weekend seriously damaged winter vegetable plantings. Severe

losses were registered for tomatoes, cabbage, squash, cucumbers, peppers, eggplant, and green beans. Supply reductions from the previous season are mostly in tomatoes, peppers, cabbage, and squash. Smaller effects are expected for eggplants and cucumbers.

Despite the severity of the freeze, its effect on total U.S. supplies of fresh winter vegetables will be mild. Mexico usually supplies a major portion of some winter vegetables to the United States, and this year the decreased value of the peso made exporting even more attractive. Thus, larger-than-usual Mexican supplies will probably be available to alleviate the shortages from Florida. In addition, replanting of damaged crops is progressing rapidly; supplies from freeze-damaged areas may be nearly normal by March.

F.o.b. prices for tomatoes, peppers, and squash are expected to range from 18 to 39 percent higher than a year ago during late January and February, but they will return to last year's levels during March or April. If market gluts develop in spring when production from replanted acreage competes with the normal northward movement of crop harvest, prices may even decline below a year earlier. Since most commercial lettuce is produced in California and Arizona at this time of year, the freeze did not affect lettuce prices.

Spurred by a small fall crop and high prices, winter potato production is forecast at 2.68 million cwt (121,000 metric tons), up 22 percent from a year ago. The California crop is forecast at 1.34 million cwt, up 6 percent, and the Florida crop at 1.33 million cwt, up 44 percent. Florida winter potatoes largely escaped freeze damage. [Jules Powell (202) 447-7290]

Sugar

World raw sugar prices weakened further in January, falling to about 7 cents a pound, compared with the December average of 7.8 cents. Although global sugar use in 1983/84 could rise moderately to about 94 million metric tons, production is not expected to decline much below 95 million. Therefore, heavy stocks will continue to keep prices low—6 to 8 cents a pound through August.

In the U.S., the Christmas freeze caused a crop loss estimated at 100,000 to 150,000 tons of raw sugar. Florida's cane sugar production fell 5 to 8 percent from the prefreeze indication of 1.32 million tons. A loss of at least 40,000 tons is likely for Texas. Louisiana's crop was spared, since the harvest was practically finished when the freeze occurred. The 1983/84 total beet and cane sugar production is estimated at 5.6 million tons.

The domestic price of raw sugar (c.i.f. duty/fee-paid, New York) averaged 21.5 cents in December, slightly below the previous month. Because of seasonal easing of demand, plus bunching of sugar imports in late December and early 1984, January prices have stayed at about 21.5 cents.

The sugar supply and use estimates for 1983/84 indicate that the quota of 3.075 million tons should keep stocks next October 1 relatively unchanged from last October. Quota-exempt imports for fiscal 1984 will about double, but they could be higher if the world premium of refined sugar to raw increases.

Use of high-fructose corn syrup in 1983 is estimated at 3.6 million tons (dry basis), up half a million from 1982 and 1 million from 1981. Beverages likely accounted for over 60 percent of use last year, compared with 36 percent in 1980.

All major soft drink companies now have at least one reformulated diet drink using aspartame (APM). Low-calorie soft drinks comprised 15-20 percent of all soft drinks consumed in 1983. In 1984, boosted by APM, the low-calorie share could rise 5 percentage points. [Robert Barry (202) 447-7290]



World Agriculture and Trade

CURRENT WORLD RECOVERY VS. RECOVERY OF MID-1970's

The U.S. economy continues to expand at a brisk pace, roughly 1 year after it first began to recover. The rate of growth closely parallels that following the 1975 recession. The major industrialized overseas economies also began turning upwards in 1983, but they are rebounding neither as quickly as the U.S. economy nor as rapidly as they did in the 1970's. Several factors suggest that the current world recovery will be slower than that of almost a decade ago.

Recovery on Slow Track

Worldwide growth in 1984 will probably reach 3 percent, rising from an estimated 1.9 in 1983 and 0.3 in 1982. The industrialized countries, which contribute about two-thirds of global output, are likely to achieve growth over 3 percent. If U.S. expansion of nearly 5 percent is excluded, however, the industrialized countries will probably have a rate under 2.5. Japan and Canada are apt to continue leading the others while Italy and France trail the group.

The developing world could see nearly 3-percent growth in 1984, after falling under 1 percent in both 1983 and 1982. Asia will probably show the greatest

expansion—4.5 to 5 percent—while Latin America shows the least—0 to 0.5. Asia's expected growth will be based on exports, much of which will go to Japan and the United States. Slow growth in Latin America will result in part from measures taken to resolve the region's debt problems. In Africa, growth could reach 3.5 percent, if demand for petroleum in the rest of the world increases as expected, and if the Sub-Saharan economies recover from the 1983 drought.

Demand for U.S. Farm Exports May Increase

Higher overseas growth rates imply that the value of U.S. farm exports will increase this year. Recovery in the industrialized economies will be accompanied by rising consumption and, except in a few countries, lower unemployment. Greater export earnings in the developing countries will help ease foreign exchange constraints there, possibly increasing import demand and allowing lower import restrictions.

The increasing strength of the dollar since 1980 has hurt U.S. exports, and its value is unlikely to decline very much, if at all, this year. However, the high-valued dollar has brought some benefits to U.S. agriculture, in the form of lower prices for imported tractors and implements, fuels and lubricants, automobiles, and fertilizers. The lower prices of imported inputs have in turn kept down the prices of domestically produced inputs. Thus, if the dollar depreciates this year, U.S. exports may increase in 1985, but production costs may also be higher.

Pace Lags Behind 1970's Recovery

The first 4 quarters of this recovery were somewhat slower in the major industrialized economies than the first 4 of the 1975-76 recovery, according to

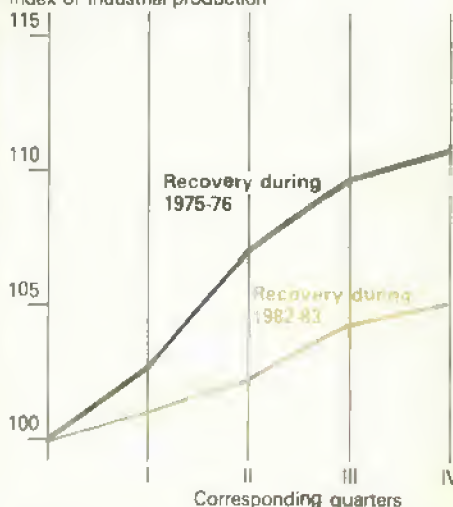
such indicators as industrial production, exports, and imports. This year is likely to see an acceleration in these and other indicators, but again the pace will probably be somewhat slower than that of 1977. Price increases were less rapid in 1983 than in 1976, and inflation will probably remain slower in this recovery, judging from current increases in wage rates. The assumption is that monetary policy of the industrialized economies in 1984 will be less accommodating to the large fiscal deficits than in 1977. Interest rates are thus expected to rise in several countries and real interest rates are likely to remain positive (that is, exceed inflation) for the fourth straight year—in Japan and Germany, for the seventh straight year. Continued high real interest rates are expected to dampen demand for investments and, consequently, slow overall economic growth.

For the first 4 quarters of the current recovery—fourth-quarter 1982 through third-quarter 1983—industrial production in Canada, Japan, France, Germany, Italy, and the United Kingdom increased just over 5 percent. Even with this gain, though, none of the countries except Japan is producing as many industrial goods as when the recent recession began. By comparison, expansion in the first 4 quarters of the 1975-76 recovery ran 10.8 percent. Consumption rates during the two periods were roughly the same, but production levels increased faster in the earlier period as expectations of future demand were greater; to prepare, producers were building inventories. Business expectations were probably higher because the monetary stimulus was greater.

Both Imports and Exports Trail Countries typically import goods faster during recoveries than in other times. Imports by Canada and the United States grew rapidly in 1983, reflecting strength in their economies. But, import volumes of every major overseas industrialized country declined in at least 1 of the first 3 quarters of 1983—fourth-quarter data are not yet available. Imports to Japan, France, and Germany declined in 2 of the 3 quarters; in France, imports dropped 15 percent in the third quarter alone, as import restrictions took effect.

For Major Foreign Industrialized Economies,¹ Current Recovery Is Slower Than Mid-1970's Rebound

Index of industrial production²



¹Canada, France, Germany, Italy, Japan, and the United Kingdom.

²100 = third-quarter 1975 and fourth-quarter 1982.

Import growth in 1975-76 was much stronger, with only Japan and the United Kingdom showing 1-quarter declines in volume. No country reduced imports in more than one quarter. Import growth rates were higher, on average, for all major industrialized countries, including the United States.

During the current recovery, exports were similarly weak for the first 3 quarters. Export volumes for France and the U.K. declined in all 3; for Germany and the United States, in 2 of the 3; and for Canada and Japan, in 1 quarter. The drop in Germany's exports was linked to the sluggish performance of France, which imports about 13 percent of Germany's export goods. France's imports fell 17 percent in the second and third quarters.

Conversely, during 1975-76, only Germany and the United States had 1 quarter of declining export volumes, and no industrialized country had more than one. Import demand around

the world, including the developing countries, picked up sharply and remained strong after 1975. In 1983, however, import demand was weak in the developing as well as the industrialized world.

Industrial production, imports, and exports could remain weak this year relative to the earlier recovery. Both fiscal and monetary policies in most countries seem designed to keep inflation from building while allowing the recoveries to continue. (Art Morey (202) 447-8470)

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the March *Agricultural Outlook* comes off press.

February

- 14 Cattle on Feed
- Potato Stocks
- 15 Milk Production
- Sugar Market Statistics
- 16 Prospective Plantings
- 21 Catfish
- 22 Cold Storage
- 23 Eggs, Chickens, and Turkeys
- 24 Livestock Slaughter
- 29 Agricultural Prices

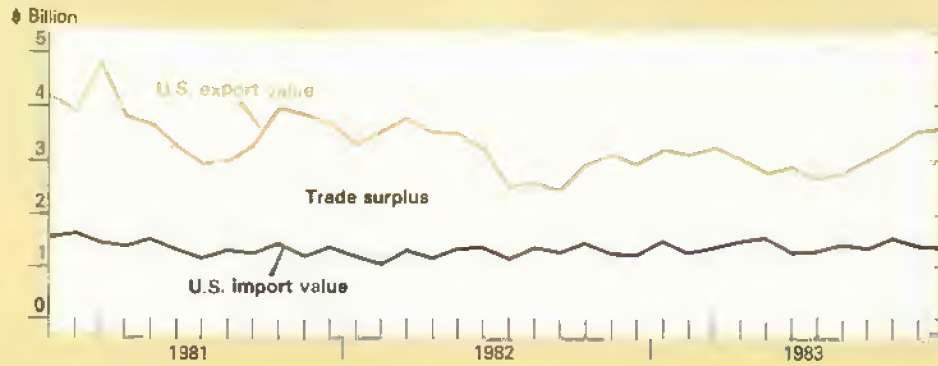
March

- 2 Dairy Products
- Egg Products
- Poultry Slaughter
- 6 Celery
- Vegetables
- 9 Crop Production
- 12 Turkey Hatchery
- 13 Peanut Stocks & Processing
- 14 Potato Stocks
- Cattle on Feed

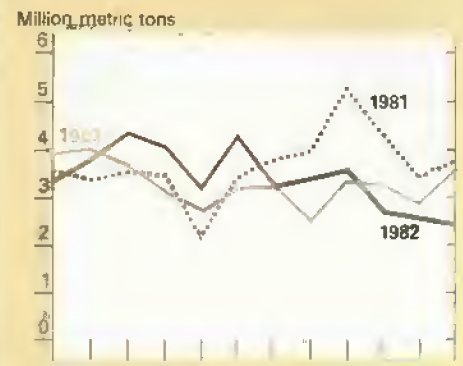
Reports available through subscription only. For subscription information, write or call: Jerry Clampet, SRS-Crop Reporting Board, Rm. 5809-South Bldg., Washington, D.C. 20250. (202) 447-2130.

U.S. Agricultural Trade Indicators

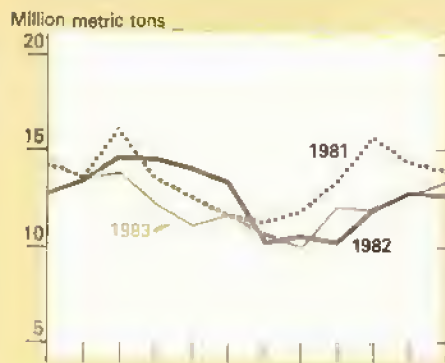
U.S. agricultural trade balance



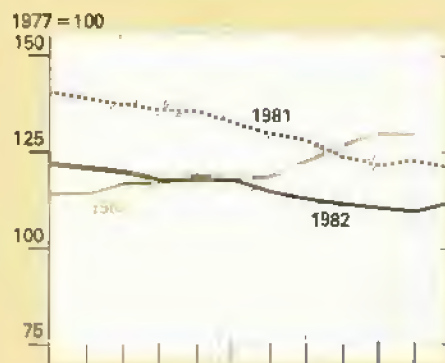
U.S. wheat exports



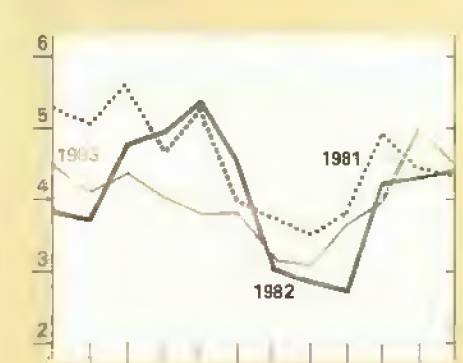
Export volume



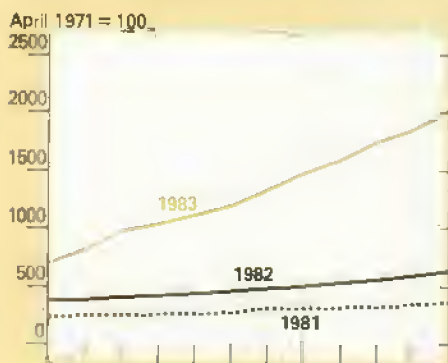
Export prices



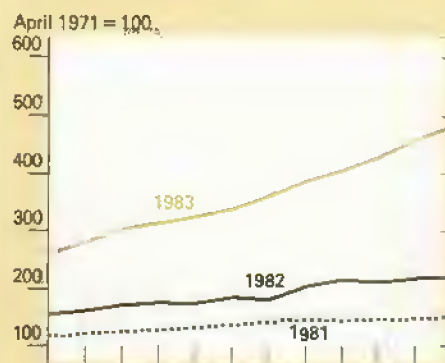
U.S. corn exports



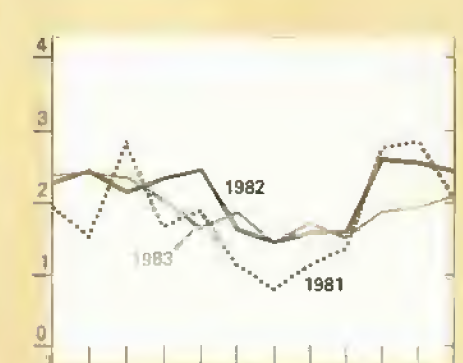
Wheat exchange rate*



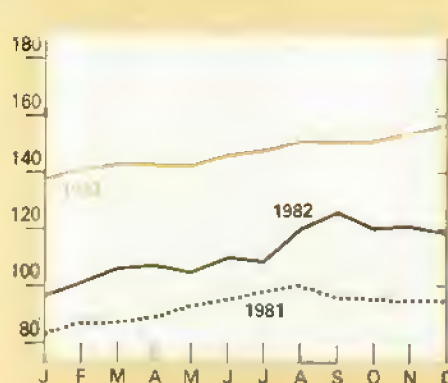
Corn exchange rate*



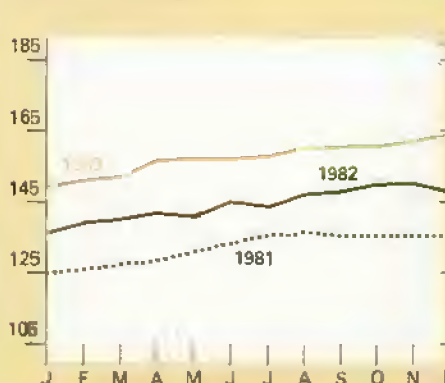
U.S. soybean exports



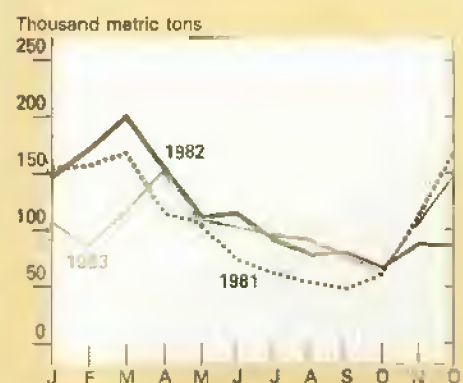
Soybeans exchange rate*



Cotton exchange rate*



U.S. cotton exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.



General Economy

Because of improvement in the economy, demand for farm products is likely to strengthen in 1984; however, demand increases will not be uniform. Demand for the more income-sensitive commodities, such as red meats, cotton, and food away from home, will rise more than domestic demand for food staples. Although foreign demand for farm goods is expected to increase in 1984, it will still be constrained by the sluggish and uneven recovery abroad, the high value of the dollar, and abundant supplies of some commodities from overseas countries. Somewhat higher inflation and interest rates will mean a slight acceleration in farm costs. Real interest rates will stay high, so farmers with relatively little debt will continue to fare better than highly leveraged producers.

In first-half 1983, as the recovery picked up steam, much uncertainty existed as to whether the rebound would last through 1984. The two most important questions were how strong and long the improvement in consumer spending would be, and whether business spending (particularly fixed investments) would recover sufficiently to offset the normal leveling off or slight downturn in consumer spending out of disposable income as the recovery continued.

Fortunately, the savings rate indicated that consumers were spending their income; the savings rate declined sharply in the first half of the year and increased only modestly in the second

half. Meanwhile, business fixed investment spending grew 16.8 percent in the second half, after declining 0.6 in the first half. For the year, real GNP increased 3.3 percent and inflation (as measured by the GNP deflator) measured a modest 4.2 percent. Moreover, real GNP growth slowed in the fourth quarter, to 4.5 percent. This reduced concern that the economy would expand so fast that the Federal Reserve would have to tighten the money supply in first-half 1984 to prevent a surge in inflation.

Many of the factors which improved consumer and business spending in 1983 should continue this year. Real GNP and inflation should grow 4 to 6 percent. Short term interest rates are expected to increase 1 to 2 percent, with long term rates rising roughly two-thirds as much.

Consumer Spending Outlook Bright Real consumer spending is expected to increase about 5 percent in 1984, primarily because of income gains from increased business activity in other sectors, rather than because of a fall in personal saving. In 1981 and 1982, consumers accumulated large quantities of liquid assets because of economic uncertainty, the heavy debt they had taken on in the late 1970's, and the attractively high interest rates. Moreover, although they sharply increased spending last year, consumers continued to add financial assets, more than twice as fast as their financial liabilities. Therefore, they appear sufficiently liquid to spend strongly again in 1984.

The stock market rally also boosted consumer spending last year. Estimates indicate that between third-quarter 1982 and third-quarter 1983, the value of stock held directly by households increased by over \$570 billion. Such an increase in stock prices not only raises consumer wealth, it also builds consumer confidence. Studies indicate a significant lag between a rise in stock prices and in consumer spending; thus, 1984, particularly the early part, should be strengthened by 1983's stock rally.

Several factors point to a slightly higher savings rate this year, especial-

ly in the second half. Higher interest rates are expected later in the year. Gains in employment and stock prices are not expected to move as rapidly. Therefore, gains in consumer confidence should be smaller and desired consumption should grow more slowly than in 1983.

Investment Spending: The Strongest Sector

Business fixed investment, expected to rise 7 to 10 percent this year, will be the economy's most important source of strength. A number of factors are behind the expected hefty increases in plant construction and equipment purchases. First, the sharp rebound in capacity utilization (from a low of just under 70 percent in November 1982 to just over 79 percent in December 1983) has raised demand for capital goods in the business sector. Moreover, with more assurance that the recovery will not sputter out in 1984, firms are more confident of final demand for their products.

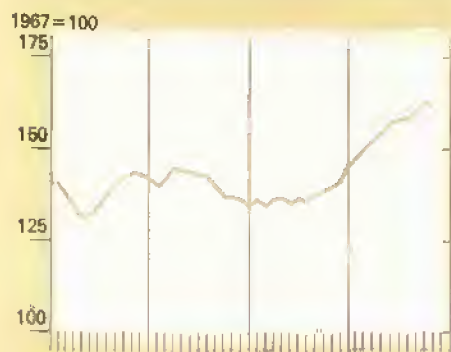
A second major factor has been the improvement in the availability and cost of nondebt funds. The sharp increase in internally generated funds (retained earnings plus depreciation) and the rebound in stock prices have reduced firms' need to borrow. Seasonally adjusted, internally generated funds in third-quarter 1983 were up \$46.8 billion, or 26 percent, from fourth-quarter 1982. Internally generated funds are important in encouraging investment because they are the least expensive source of capital and can encourage additional investment by reducing overall risk to stockholders and creditors.

A third factor brightening the investment outlook is that accelerated depreciation provisions of the 1981 Economic Recovery Act are expected to have a greater effect on corporate taxes this year. During the recession, many firms registered losses or only small profits, thus reducing the usefulness of the greater depreciation allowances.

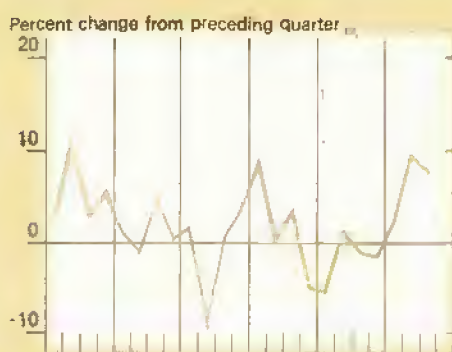
Business inventories are expected to increase \$6 to \$10 billion in 1984. The rise in total spending will raise inventory demand. However, given recent improvements in inventory control and continued high real interest rates, inventories are not likely to grow as rapidly as during other recoveries.

General Economic Indicators

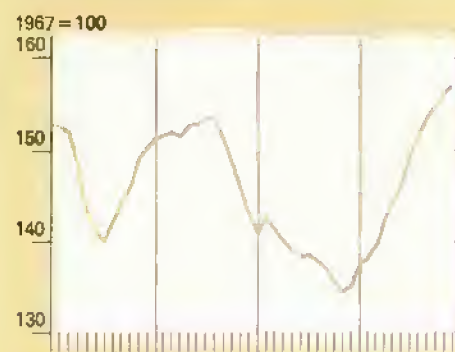
Composite leading economic indicators



Gross national product¹



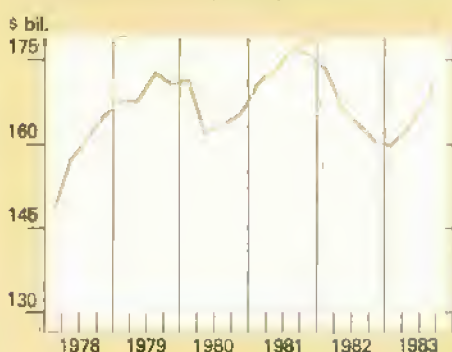
Industrial production



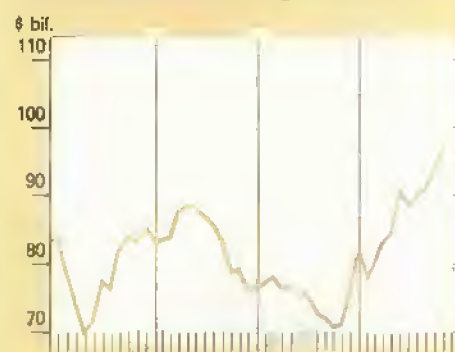
Disposable income and consumption expenditures²



Nonresidential fixed investment²



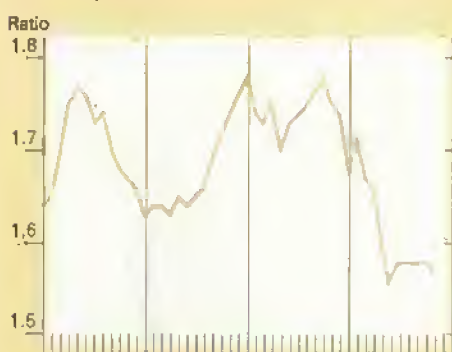
Manufacturers' durable goods orders³



Consumer price index



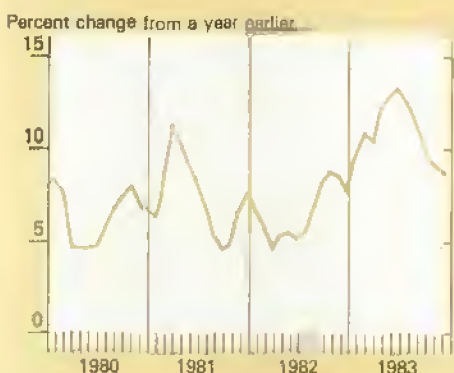
Inventory/sales⁴



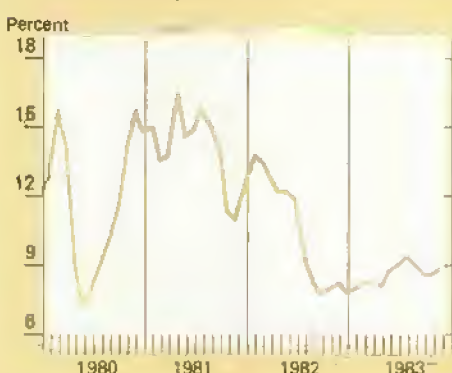
Unemployment rate⁵



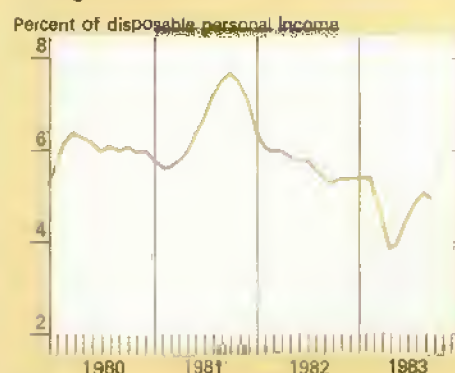
Money supply (M1)



3-month treasury bill rate



Savings rate⁶



¹Percent change from previous quarter in 1972 dollars. Seasonally adjusted annual rates. ²Billions of 1972 dollars, seasonally adjusted at annual rates. ³Nominal dollars. ⁴Manufacturing and trade, seasonally adjusted; based on 1972 dollars. ⁵Seasonally adjusted. ⁶Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. Sources are: U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.

Housing and Exports Less Favorable

The recent slowdown in the growth of residential construction is expected to continue. Combined, high home prices and steep mortgage rates will go on excluding many potential home buyers. Recent data indicate that housing starts and building permits have stagnated at 1.7-1.8 million and 1.6-1.7 million units, respectively. Relatively stable mortgage rates in the first half of the year will allow homebuilding to grow at a 3- to 5-percent rate, but higher interest rates in the second half will likely stall any growth then.

Net exports remain weak, with estimates indicating a decline of \$8.9 billion for the fourth quarter. The strong dollar and continued slow growth by most U.S. trading partners probably spell no expansion in our net exports in the first half of this year. However, the second half may see modest improvement, as the foreign recovery broadens. Greater improvement can be expected in 1985.

Interest Rates May Rise in the Second Half

Short-term interest rates will probably move little in the first quarter of 1984. With growth in real GNP slowing to more sustainable levels, with inflation modest, and with all the monetary aggregates staying inside their 1983 long term ranges, the Federal Reserve is likely to leave short term monetary policy alone. For the first quarter and early second quarter, the Federal funds rate will probably remain near the current 9.25-9.50 range.

However, this set of conditions will change by year's end. Private credit demand has picked up and it is expected to accelerate, particularly among nonfinancial corporations. In addition, inflation is expected to increase slightly in the second half. Finally, because of Federal deficits in 1984, the Government will remain a large borrower. Consequently, short term interest rates are expected to rise 1.5 to 2.5 percentage points, to 10.5 to 13.0 percent, by the end of the year. (Paul Sundell (202) 447-8666)



Agricultural Policy

1984 RICE PROVISIONS

As announced December 16, the target price for 1984 rice will be \$11.90 per cwt, up from \$11.40 in 1983. The loan and purchase rates will both be \$8.00 per cwt—the legal minimum—compared with \$8.14 in 1983. In addition, whole kernel loan rates will be 14.96 cents per pound for long grain and 10.81 for medium and short grain. The broken kernel rate will be 6.2 cents per pound.

Other provisions of the 1984 program include a 25-percent acreage reduction requirement with no PIK feature. To be eligible for program benefits, growers must devote eligible cropland equal to 33.33 percent of their 1984 planted acreage to an approved conservation use. The 1984 acreage base will be the average of the acreage planted

and considered planted to rice in 1982 and 1983. No adjustments of rice bases for the control of red rice will be permitted. Also, there will be no advance deficiency payments. Offsetting and cross-compliance will not apply. Grazing will be allowed only outside the 6 principal growing months. However, no haying will be permitted on the conserving use acreage. Signup for the program runs from January 16 through February 24, 1984, the same as for the wheat, feed grains, and cotton programs.

PROPOSED PEANUT PROGRAM

USDA's 1984-crop peanut program proposal remains essentially unchanged from 1983. The 1984 national average support level suggested for quota peanuts is again \$550 per ton. The same level is indicated because the 1983 national average cost of production, upon which the quota is based, decreased from 1982.

The options being considered for the 1984 national average additional support level are from \$185 to \$230 per ton. The higher figure is equal to the expected crushing price for 1984 minus expected Commodity Credit Corporation (CCC) handling and related costs. The lower figure is the 1983-crop level.

The minimum CCC export edible sales price for 1984-crop additional peanuts pledged as loan collateral is being considered at levels ranging from \$285 to \$530 per ton. The lower figure is the sum of the lowest proposed additional support level plus CCC's estimated storage, handling, and inspection costs for export edible peanuts. The higher figure equals the proposed \$550-per-ton support price minus \$20. This deduction is in line with programs from 1978 through 1981; in 1982 and 1983, the deductions were substantially greater.

Announcement of the loan rate for additional peanuts must be made by February 15. USDA receives public comments on proposed provisions up to that time. (Tom Fulton and Loreen Forester (202) 447-4943).



Transportation

RAILROADS

Shipments of U.S. grain for domestic use and export during 1984 will likely be slightly less than in 1983 and well below 1980, when rail capacity was tight. Therefore, the number of jumbo covered hopper cars, a record 234,000, will be adequate. Of course, brief shortages of rail cars can occur in specific localities.

As for rail cars used for food and trailer-on-flat-car shipments (TOFC), the inventory has declined slightly from 1983, but capacity should be sufficient. The decline in the number of cars of all types overstates the decrease in actual capacity. Between 1982 and 1983 the inventory of cars fell 3 percent, but total capacity declined only 2 percent because the newer cars average 91 tons of capacity, compared with a fleetwide average of 82.

With demand exerting little upward pressure on rail rates, only modest rate increases are likely this year; the 4.1-percent increase granted by the Interstate Commerce Commission (ICC) will probably be the only widespread rise.

More Rail Traffic Deregulated

On January 1, 1984, shipments made in rail boxcars (including refrigerator cars) and all rail shipments of frozen food became exempt from rate regulation. Because all TOFC shipments were previously deregulated, the majority of food shipped by rail is now exempt.

The deregulation will affect about 340,000 boxcars and 64,000 refrigerator cars, more than one-third the U.S. rail fleet. Nevertheless, the impact of deregulation will likely be small in the short term. Given the complexity of the national rate structure railroads probably will not abolish existing rates overnight, but they have indicated that they will attempt to establish contracts with shippers.

Exemption of meat and dairy shipments is being considered and will likely be achieved in 1984. However, these commodities are usually shipped in refrigerator cars, which are already exempt.

This deregulation of goods hauled in box cars creates a special situation for grain shippers. Grain, soybeans, and sunflowerseed shipped in covered hopper cars will remain regulated (even those shipped under contract rates are subject to some economic regulation), while shipments made in box cars are no longer subject to the ICC's jurisdiction.

Branch Line Abandonment Goes On

The longstanding trend toward rail branch line abandonment is expected to continue this year. Between 1974 and 1981 (the last year for which data are available), the total length of lines in service shrank 16 percent, from 200,916 to 168,000 miles. The rate of abandonment slackened somewhat in mid-1983, but by year's end it returned to the trend of 5,000 miles a year. At the end of 1983, abandonment applications covering 3,034 miles in 34 States were waiting approval, and railroads had indicated their intentions to abandon another 3,113 miles.

In most cases, the loss of rail service forces shippers to use relatively costly truck service. About 78 percent of all country elevators and more than one-half of all terminal elevators are served by a single railroad.

Fresh Fruit and Vegetable Shipments: Trucking Still Dominates, But TOFC's More Than Double¹

Year	Rail	TOFC	Truck	Total
	Percent of market			1,000 cwt
1981	9.9	3.0	87.1	8,919
1982	7.8	4.3	87.9	8,934
1983	8.2	6.0	85.8	9,385

¹Average weekly shipments. TOFC = trailers on flat cars.

TOFC Produce Shipments Continue Up

While all produce shipments rose 2.6 percent in 1983, TOFC's market share soared 50 percent—to 6.2 percent of the total. The increase in TOFC traffic is due to deregulation in February 1981 and the railroads' success in cutting transit times and improving service.

To provide for the continued growth expected in TOFC shipments, railroads have announced plans to obtain new or rebuilt equipment. At least 2,000 TOFC trailers were delivered in 1983, and a number of new car designs either have been introduced or are being tested. Approximately 500 50-foot boxcars are being converted to flat cars; such conversions represent a savings of about \$20,000 over the cost of a new car.

TRUCKING

Surplus capacity, slight decreases for some operating costs, and competition should hold 1984 truck rates near 1983 levels. According to some industry sources, carriers have been operating 10 to 25 percent below capacity, while operating costs of owner operators fell 2 cents during 1983 to about \$1.15 a mile, mostly because of lower fuel costs. By June 1, 1983, the ICC had granted operating rights to more than 4,700 new trucking firms. More than 25,300 carriers were operating in 1983, compared with 17,700 in 1980.

Inventory of Selected Rail Car Types on December 31, 1979-83

Year	Boxcars	Jumbo covered hoppers	Flat cars	Refrig. cars	All cars	Total capacity
			1,000 cars			1,000 tons
1979 . . .	453	n.a.	151	81	1,700	133,960
1980 . . .	431	186	153	79	1,710	134,235
1981 . . .	359	218	149	73	1,672	134,429
1982 . . .	359	231	145	69	1,600	130,553
1983 . . .	338	234	142	64	1,548	127,368

Source: Association of American Railroads.

The truck fleet will likely continue to grow as new, large-capacity equipment (now permitted by the Surface Transportation Act of 1982) is purchased. Some of this new equipment will be on the roads in the first quarter, but the majority will be delivered after mid-year. More than 20 States are resisting the use of the larger trucks on their roads. Therefore, many truck lines may be delaying acceptance of ordered equipment until there are firmer indications of the roads on which they can take the new trucks. The U.S. Department of Transportation will not designate a final road network until spring.

WATERWAYS

U.S. exports of wheat and feed grains declined 12 percent in 1983, and grain shipments by barge dropped 4 percent to a little more than 2 million tons. With 1984 grain exports expected to be near the 1983 level, about 25 to 30 percent of the dry bulk barge fleet will probably be in surplus. As a result, demand for grain movement will do little to increase barge rates. The improving economy, however, could boost total demand and raise rates as much as \$2.00 a ton. But, rates are not forecast to return to 1979-80 levels.

World trade in wheat and coarse grains is forecast at 191.3 million metric tons this season, less than 1 percent above last year, and international trade in other bulk commodities is expected to remain level. With an estimated 34 percent of the dry bulk oceangoing fleet in surplus, ocean freight rates will likely remain at 1983's relatively low levels.

In addition, the U.S. and Canadian governments have announced that tolls on the St. Lawrence Seaway will not be increased during 1984. This action removes some cost pressure on exports through the Great Lakes ports and suggests that these exports will continue at about 1983 levels. [T.Q. Hutchinson (202) 447-8707]

Upcoming Economic Reports

Title	Summary Released
Ag Supply & Demand	Feb. 13
Exports	Feb. 21
Feed	Feb. 22
Livestock & Poultry	Feb. 24
Cotton & Wool	Feb. 27
World Agriculture	Feb. 29
Sugar & Sweeteners	Mar. 7
Tobacco	Mar. 8
Ag Supply & Demand	Mar. 12
Fruit	Mar. 14
North America & Oceania	Mar. 15

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Inputs

Spring Fertilizer Prices Will Be Up
After holding steady or declining for 2 years, fertilizer prices will probably start moving up this spring in response to about a 20-percent increase in use. Nitrogen prices will advance the most. May 1984 fertilizer prices could be 6 to 8 percent higher than last spring. Nitrogen could be up 9 to 11 percent, phosphate up about 6 to 8 percent, and potash even with May 1983 prices.

In recent years, low nitrogen fertilizer prices and increasing production costs eliminated profits for many producers, discouraging output increases. Production has risen in the last few months, though, in response to higher wholesale prices and prospects for better demand. Phosphate and potash price increases will not be as great as nitrogen, however, since production capacity is adequate to meet the expected surge in demand.

December 1983 farm prices for fertilizer followed earlier increases in wholesale prices. Anhydrous ammonia, diammonium phosphate, and triple superphosphate prices were up about 3 percent. Ammonium nitrate and potash prices were up over 1 percent, while urea was unchanged.



Fertilizer Supplies Increase

The revival of idle production capacity, plus increased nitrogen and potash imports, should keep supplies of all three nutrients adequate this spring.

Currently, production capacity for anhydrous ammonia, wet-process phosphoric acid, and U.S. and Canadian potash is being used at 80 to 85 percent, up from last year's 70 to 75 percent.

Potential nitrogen shortfalls due to delays in reopening production facilities will be avoided by increasing imports. Nitrogen imports this season could be up about 25 percent from the 2.8 million tons in 1982/83. Potash imports could increase about 13 percent as domestic consumption increases. Since imports are a very small share of phosphate fertilizer supplies, a further decline in those imports will have little impact on supplies.

Nitrogen exports, which dropped 19 percent in 1982/83, could fall 20 percent in 1983/84. An increase in ammonium phosphate shipments would bolster nitrogen exports, but other factors that helped reduce nitrogen sales last season will continue: the strong U.S. dollar, sluggish world economic activity, and relatively higher cost domestic production.

Improvement in world economic conditions would indicate an increase in U.S. phosphate exports, but the phosphate rebound has been slow. After a 4-percent increase in 1982/83, phosphate shipments could rise another 5 percent in 1983/84, but exports will remain below the 1980/81 record.

U.S. potash exports will probably decline in 1983/84 in the face of growing competition from other world sources. [Paul Andrienas (202) 475-4787]



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Agricultural Policy Issues in the EC and Their Implications for U.S. Interests

Last December, heads of government from all 10 countries* in the European Community (EC) met in Athens to attempt to resolve a number of thorny agricultural issues. Faced with a budget crisis, the EC is considering changes in its Common Agricultural Policy. These changes include reducing dairy surpluses, narrowing the gap between EC and world prices for grain, limiting imports of nongrain feeds, eliminating monetary compensatory amounts on agricultural trade, and taxing consumption of fats and oils. Some EC member countries have made resolution of these issues a condition for raising the 1-percent limit on the amount of their value-added tax contributed to the EC. In addition to policy reform, the Athens meeting was also slated to consider the major issues of reallocating EC costs among member countries and scheduling membership for Spain and Portugal. Despite the welter of questions that EC leaders were supposed to deal with in Athens, though, not one issue was resolved.

U.S. Trade Interests

The resolution of these issues—or even their nonresolution—will affect U.S. exports to the EC and U.S. competition with the EC in third-country markets.

The European Community is the largest buyer of U.S. agricultural exports, taking \$8.3 billion or 22.6 percent of them in 1982 (see table). In the early seventies, the share was even larger—about 30 percent. Grains, oilseeds, and other feedstuffs have traditionally accounted for about 70 percent of the total; fruits and vegetables, tobacco, and cotton have also been important. Changes in the Community's Common Agricultural Policy (CAP) could enhance or endanger U.S. export sales of these items.

The U.S.-EC competition for world agricultural markets has heated up with the rise in EC surpluses and the decline in world economic activity. The two compete, for example, to sell wheat, wheat flour, and poultry meat to North Africa and the Middle East; wheat to China; wheat and feed grains to the Soviet Union; and wheat and wheat flour to Latin America. Again, policy decisions in the EC could change the competitive balance in these and other areas.

A Crisis in Costs

Money is at the heart of the EC's problems. Unlike earlier days of limitless financing to support burgeoning agricultural output, today's expenditures are on the verge of exceeding revenues. Rising support prices, increased agricultural output, expanded commodity coverage, and lower world prices have added to Community costs. Depressed economic conditions throughout the area have dampened the growth in the EC's own funds from value-added taxes (VAT). Only by shifting some expenditures to 1984 did the EC manage to avoid a financial crisis in 1983. Without changes in budgetary receipts or obligations, a financial crisis appears inevitable this year.

In 1982, the Community's expenditures, agricultural and nonagricultural, totaled about 21.4 billion European Currency Units (ECU's), or \$21.0 billion. But, in 1983 they increased dramatically to 25.3 billion ECU's. Agricultural support accounted for 58 percent, or \$12.2 billion, of the total in 1982; in 1983 that share rose to 65 percent, or \$14.8 billion. For comparison, expenditures on agriculture in 1976 amounted to only \$6.2 billion.

An estimated 95 percent of expenditures on agriculture in 1982 were to support prices. Milk, produced in great surplus, enjoys the most costly price support program, followed by grains. Other commodities receiving substantial support in 1982 included beef and veal, fats and oils, fruits and vegetables, wine, pork, and poultry meat. In addition to its normal sugar exports, the EC also subsidizes the export of a quantity of sugar equivalent to that imported from African, Caribbean, and Pacific countries.

The EC draws its revenues from a number of sources. Custom duties collected on agricultural and nonagricultural commodities accounted for nearly one-third in 1982. Receipts from levies on agricultural imports, and special levies on sugar production, contributed about one-eighth. VAT receipts make up almost all the rest, and the VAT

*Belgium, Denmark, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany.

share of total EC income has steadily increased. Up to 1 percent of EC countries' VAT base is authorized for EC coffers, but there is no carryover of unspent funds from year to year.

Athens Summit Agenda

Dairy surpluses.—The EC was estimated to be 117 percent self-sufficient in milk (fat content basis) in 1981, and increases have continued. Large surpluses have developed because of the EC's open-ended price support for dairy products, the relatively high support level for milk, routine annual price increases, and rising productivity in the dairy sector.

EC member countries disagree on how to control milk production. When production (or delivery) quotas are suggested, there is disagreement on the base year. The EC Commission has recommended 1981 production plus 1 percent as a base. Some countries have suggested 1983. Ireland is opposed to a quota tied to any base year; the Irish argue that their dairy sector has been slow to develop and is just beginning to realize some of the technical efficiencies already achieved in most other member countries.

The EC Commission has proposed a 75-percent super-levy on excess production. Some discussion has been given to increasing the 2-percent coresponsibility tax farmers pay to help dispose of surpluses. Although a coresponsibility tax has been in effect since 1977, milk overproduction has continued unabated.

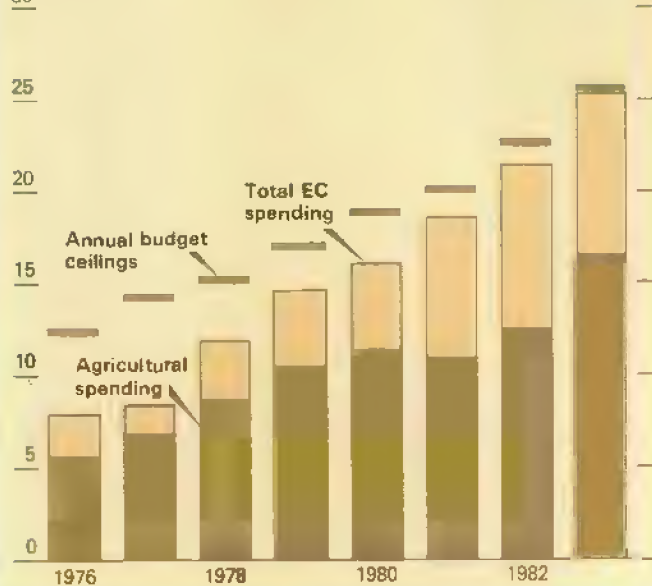
Whatever the means, if dairy production is effectively controlled, U.S. exports of soybeans and meal, coarse grains, and nongrain feed ingredients may be hurt. In 1983, the U.S. sold \$4.9 billion worth of feedstuffs to the EC; a significant portion of this total went into dairy feed.

Grain price reduction.—The EC Commission has repeatedly proposed to close the gap between its grain prices and world prices. In reality, however, this goal has never been accepted by the EC Council of Agricultural Ministers, whose policy has called for price increases. In fact, in times of declining world prices, the gap between EC prices and world prices has widened. If the Community did lower its prices to world levels, though, U.S. grain exports would gain a larger share of the market, as the EC's grain consumption would likely increase and reduce export availability.

The Community's high grain prices have contributed to its budget problems in several ways. The prices have simultaneously stimulated production and dampened internal

EC Spending Nears a Crunch, and Agriculture Takes the Largest Part of Outlays

Billion ECU's
30



demand. To reduce the resulting surpluses, the EC must subsidize either exports or internal demand (for example, subsidies for the feed use of bread wheat). The grain prices also raise livestock product prices, again hurting internal demand and necessitating export subsidies to make EC meat competitive in world markets.

Still, the EC probably will not bring grain prices in line with world prices in the foreseeable future. It is likely to exercise a "prudent" price policy—that is, keep price increases modest. Beginning with the 1983/84 crop year, production thresholds will be applied; grain prices will be reduced 1 percentage point for every million tons that the previous year's output exceeded a base quantity. However, base grain prices, from which the 1 percent will come, are a political issue. Politicians can simply make allowance for any price cut required because the production threshold was exceeded.

Nongrain feed imports.—The EC currently imports about 15 million metric tons of nongrain feed ingredients yearly—manioc, corn and wheat byproducts including corn gluten feed, citrus pulp, and other lesser feeds.

Among EC members, France in particular has argued that these imports displace domestically produced grains in manufactured feed and worsen the EC's grain disposal problems. At French insistence, the EC has linked nongrain feed imports and grain threshold price reductions. If nongrain feed imports pass 15 million tons annually, the EC will scale back the grain price reduction scheduled because of grain production's exceeding the threshold.

EC: Our Largest Customer for Farm Exports

Calendar year	Total U.S. agricultural exports	Exports to the EC								EC as
		Total	Grains and preparations	Oilseeds and products	Feeds, fodders ¹	Fruits, vegetables, and nuts	Tobacco	Cotton	Other	Proportion of total
										Percent
\$ mil.										
1970 ..	7,255.1	2,132.3	579.5	761.7	54.1	162.5	268.7	27.2	278.6	29.4
1971 ..	7,693.2	2,411.0	561.6	953.4	50.7	159.7	290.3	70.4	324.9	31.3
1972 ..	9,400.7	2,748.5	667.2	1,069.0	79.6	188.8	338.3	70.9	334.7	29.2
1973 ..	17,680.5	4,667.7	1,365.9	1,901.9	148.6	256.9	386.8	110.7	496.9	26.4
1974 ..	21,998.9	5,624.3	1,757.0	2,463.1	118.0	269.0	366.6	132.3	518.3	25.6
1975 ..	21,884.1	5,706.8	2,342.1	1,965.9	162.2	305.9	396.9	65.1	467.7	26.1
1976 ..	22,977.9	6,562.2	2,492.3	2,263.7	269.9	434.8	347.8	60.8	692.9	28.6
1977 ..	23,636.2	6,784.9	1,864.9	2,822.0	388.7	409.2	380.9	109.8	809.4	28.7
1978 ..	29,382.4	7,312.4	1,581.2	3,346.8	371.8	435.1	623.7	128.2	825.6	24.9
1979 ..	34,749.4	7,848.6	1,617.0	3,353.6	565.4	576.2	458.2	181.4	1,096.8	22.6
1980 ..	41,233.4	9,236.4	1,807.6	3,951.9	772.0	831.9	519.2	256.7	1,097.1	22.4
1981 ..	43,339.4	9,058.9	1,721.7	4,134.6	719.0	736.3	490.4	167.1	1,089.8	20.9
1982 ..	36,622.0	8,272.6	1,201.7	3,972.7	704.4	599.4	495.0	174.2	1,125.2	22.6

¹ Excluding oilmeals.

Source: U.S. Foreign Agricultural Trade Statistics.

Unlike grains, imported nongrain feeds are subject to a relatively low tariff or none, rather than high variable levies. Consequently, feed compounders maximize use of the lower cost nongrain feeds in combination with high protein meals. The results are lower feed costs for livestock producers and lower retail prices for consumers of animal products.

EC officials have argued that outside suppliers of nongrain feed should be willing to limit shipments to the EC in exchange for its efforts to close the gap between internal and world grain prices. The United States has refused to voluntarily limit corn gluten and citrus pellet exports. The U.S. has maintained that corn gluten feed and citrus pellets do not displace grain; U.S. officials say that corn gluten feed is competitive with high protein meals, and that citrus pellets are competitive with beet pulp. Both corn gluten and citrus pellets are used primarily in dairy rations.

The EC Commission has proposed a quota of 3 million metric tons for duty-free imports of corn gluten feed, despite opposition from EC feed compounders and those livestock producers heavily dependent on manufactured feedstuffs. Imports in excess of this amount would be subject to a variable levy. More recently an EC industry group has proposed that there be no duty-free import quota at all, recommending a 20-percent duty on all imports. The EC has indicated that if a voluntary restraint agreement with the United States is not possible, it will seek to limit imports through GATT (General Agreement on Tariffs and Trade). The United States has responded that we would retaliate strongly against any such limitation.

Revenues, Cost Allocations, and MCA's.—The most likely vehicle for increasing EC revenues is the value-added tax. A frequently heard proposal is that the percentage of each country's VAT revenue that goes for EC expenditures be raised from 1.0 to 1.4 percent. If the EC does opt to enhance revenues from the VAT, large farm export subsidies will continue and be detrimental to U.S. trade interests.

West Germany and the United Kingdom, the only significant net contributors to the EC's budget, have strong reservations about increased funding. West Germany wants assurance that agricultural expenditures will not increase faster than budget receipts. The United Kingdom has been voted a rebate in some years, as other member countries have acknowledged that the British contribute more than they gain from belonging to the Community. Now, though, the British insist that they must have some longer range guarantee that they may reduce their share of EC funding. France, a major beneficiary of the CAP, has expressed some willingness to assume a larger share of costs. But disagreement between the French and British over how much the British contribution should be cut was a major source of dissension at Athens. The odds are that any resolution of the EC's current problems will require greater VAT input. The percentage increase, if it comes, is expected to be sufficient to cover costs over the next 4 to 5 years.

Another problem facing the EC is the question of monetary compensatory amounts (MCA's). The EC uses MCA's to adjust for currency exchange rate shifts and the resulting differences in agricultural prices between member countries (in actuality, the EC had "common" prices for agricultural products only in 1967 and 1968). France has been particularly anxious to reduce or eliminate the MCA's because they have resulted in a substantial flow of West German agricultural commodities to France.

Tax on fats and oils.—The EC has recommended a consumption tax on fats and oils (except butter). One objective is to raise additional revenue. Another is to change the price ratio between margarine and butter so that consumers buy more butter.

A tax of 7.5 ECU's per 100 kilograms (about 3 cents per pound) has been proposed. It would bring in yearly revenues of 600 million ECU's (approximately \$500 million). The EC holds that the tax would conform to GATT rules by applying to domestically produced fats and oil as well as to imports. The United States and other exporting countries argue that it would reduce EC imports. A consumption tax on fats and oils would probably dampen consumer demand, as well as raise protein feed prices. Exporting countries point out that there is no guarantee the tax would remain at the proposed level or that, once a precedent was established, similar taxes would not be applied to other products. More outspoken critics complain that the tax would merely push the burden of EC adjustment onto other countries, and that the EC would export surplus soybean oil and other supplies, competing with the U.S.

Since the proposed tax is a flat rate rather than a percentage, it would most heavily affect the lowest priced fats and oils. Olive oil, which is high priced and in surplus in the EC, would be favored by this form of tax.

Enlargement of the EC.—The EC has strongly endorsed membership for Spain and Portugal to enhance the political and military stability of Western Europe. But practical problems, especially in agriculture, have been intractable.

Italy and particularly France have opposed Spain's joining until the Mediterranean portions of their agricultural sector have been restructured to compete better with Spanish producers. The economically depressed southern

parts of France and Italy depend heavily on vegetable, citrus, wine, and olive oil production (Italy only); Spain is expected to be highly competitive in these products.

To most other member countries of the EC, Spain and Portugal appear as potential markets for surplus grain and livestock products, and as low-cost suppliers of citrus and early season vegetables. However, all member countries are concerned about additional costs that will occur when Spain and Portugal join. Pressures may be exerted on the EC to provide better price support and disposal programs for Mediterranean-type products when Spanish and Portuguese producers ally with those from France, Italy, and Greece. Further, two new members will make decisionmaking in the EC even more cumbersome and difficult—at a time when compromise cannot be so easily attained through financial generosity.

When and if Spain and Portugal do join, U.S. exports to the two countries may slow. Also, some U.S. commodities, particularly citrus and nuts, will face stronger competition in current EC member countries.

Outlook and Trade Implications

In the EC, agricultural price decisions for the upcoming marketing year are supposed to be made by April 1. Consequently, that date may serve as a target for the resolution of some of the foregoing issues.

The presidency of the EC Council rotates every 6 months. France will be in the presidency from January 1 through June 30 and is expected to push hard for resolution of issues on financing but not those on enlargement. France benefits significantly from the CAP, and in the presidency may be able to exert greater pressures on issues of national interest. Ireland, with much less political power, replaces France on July 1. Consequently, if the EC's major differences are not ironed out by then, the outlook is for a more difficult resolution.

In any event, resolution is not likely to occur piecemeal. First, the issues are sufficiently linked that a decision on one may be in effect a decision on several. Second, there is such a welter of national and subnational views on the issues that only a package resolution stands a chance: a member country may be willing to make a decision that is disadvantageous on one question, in exchange for getting a favorable resolution on some other question. [Reed E. Friend (202) 447-6809]

Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1982	1983					1984		
	Annual	I	II	III	IV F	Annual F	I F	II F	Annual F
Prices received by farmers (1977=100)									
Livestock and Products	133	131	136	136	136	135	140	142	140
Crops	145	145	143	138	138	141	139	139	143
	121	118	127	133	135	129	142	145	137
Prices paid by farmers, (1977=100)									
prod. items	150	151	154	153	154	153	159	163	161
Commodities and services, int., taxes, and wages	157	157	160	161	162	161	166	169	169
Cash receipts¹ (\$ bil.)[*]									
Livestock (\$ bil.)	144	145	142	145	140	142	138-142	145-149	144-148
Crops (\$ bil.)	72	72	71	70	70	71	67-71	66-70	68-72
	72	73	71	75	70	72	69-73	77-81	74-78
Market basket (1967=100)									
Retail cost	266.4	267	270	269	269	269	274	279	280-286
Farm value	245.8	237	243	243	241	240	246	251	250-255
Spread	278.6	284	285	286	286	286	291	295	295-299
Farm value/retail cost (%)	34	33	33	31	33	33	33	33	33
Retail prices (1967=100)									
Food	285.7	289	292	292	293	292	299	302	302-308
At home	279.2	281	283	283	282	282	288	291	292-298
Away-from home	306.5	315	319	321	325	320	330	333	333-342
Agricultural exports (\$ bil.)²	39.1	9.3	8.5	8.2	10.3	34.8	10.2	9.0	37.5
Agricultural imports (\$ bil.)²	15.4	4.1	4.3	4.1	4.3	16.4	4.1	4.3	17.0
Livestock and products									
Total livestock and Products (1974=100)	111.7	110.3	115.7	116.4	116.5	114.7	76.8	77.0	77.4
Beef (mil. lb.)	22,366	5,525	5,549	6,012	5,974	23,060	5,925	5,725	22,900
Pork (mil. lb.)	14,121	3,483	3,726	3,644	4,208	15,061	3,750	3,675	14,725
Veal (mil. lb.)	423	103	99	110	117	429	105	90	395
Lamb and mutton (mil. lb.)	356	93	89	94	91	367	93	84	345
Red meats (mil. lb.)	37,266	9,204	9,463	9,860	10,390	38,917	9,873	9,574	38,365
Broilers (mil. lb.)	12,038	3,059	3,277	3,135	2,920	12,391	3,000	3,230	12,560
Turkeys (mil. lb.)	2,458	462	581	760	750	2,554	450	565	2,600
Total meats and poultry (mil. lb.)	51,762	12,725	13,321	13,745	14,060	53,862	13,323	13,369	63,525
Eggs (mil. dz.)	5,798	1,432	1,400	1,390	1,405	5,627	1,375	1,360	5,540
Milk (bil. lb.)	135.8	34.0	36.5	34.8	33.6	138.8	n.a.	n.a.	n.a.
Choice steers, Omaha (\$/cwt.)	64.22	61.52	67.04	60.89	60.61	62.51	63-67	63-67	63-69
Barrows and gilts, 7 markets (\$/cwt.)	55.44	55.00	46.74	46.90	42.18	47.71	45-49	45-49	48-54
Broilers-wholesale, 9-city weighted avg.									
dressed (cts./lb.)	44.0	43.4	³ 46.5	³ 53.9	³ 55.2	—	55-59	53-57	52-58
Turkeys-wholesale, N.Y., 8-16 lb. hens, dressed (cts./lb.)	60.8	54.9	57.3	60.3	69.4	60.5	66-70	67-71	66-72
Eggs, N.Y. Gr. A large, (cts./dz.)	70.1	65.8	69.1	74.4	91.3	75.2	98-102	83-87	84-90
Milk, oil at farm (\$/cwt.)	13.60	13.73	13.33	13.33	13.83	13.56	n.a.	n.a.	n.a.
Crop prices at the farm⁴									
Wheat (\$/bu.)	3.55	3.60	3.68	3.53	3.54	3.50-3.60	—	—	—
Corn (\$/bu.)	2.68	2.54	3.00	3.27	3.16	3.20-3.40	—	—	—
Soybeans (\$/bu.)	5.57	5.68	6.01	7.37	7.83	7.50-8.25	—	—	—
Upland cotton (cts./lb.)	57.6	57.4	60.8	65.7	66.0	—	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. ³ The 9-city price has been discontinued; starting with the second quarter 1983 the broiler price is the new 12-city average. ⁴ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. * Seasonally adjusted at annual rates.

Farm Income

Farm income statistics

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983 F	1984 F
	\$ Bil.										
Receipts											
Cash receipts:											
Crops ¹	51.1	45.8	49.0	48.6	53.7	63.2	72.7	73.1	74.4	71 to 73	74 to 78
Livestock	41.3	43.1	46.3	47.6	59.2	68.6	67.8	69.2	70.2	69 to 71	68 to 72
Total	92.4	88.9	95.4	96.2	112.9	131.8	140.5	142.3	144.6	141 to 143	144 to 148
Other cash income ²	1.4	1.8	1.8	3.0	4.3	2.9	2.9	3.9	5.6	10 to 12	9 to 13
Total cash income	93.8	90.7	97.1	99.2	117.2	134.7	143.4	146.2	150.1	152 to 154	155 to 159
Nonmoney Income ³	6.1	6.5	7.3	8.4	9.2	10.7	12.1	13.3	13.9	13 to 15	13 to 15
Realized gross income . .	99.9	97.2	104.4	107.6	126.4	145.4	155.5	159.4	164.0	166 to 168	169 to 173
Value of inventory chg. . .	-1.6	3.4	-1.5	1.1	.8	4.9	-5.3	7.6	-1.9	-8 to -10	6 to 10
Total gross income	98.3	100.6	102.9	108.7	127.2	150.4	150.1	167.1	162.2	157 to 159	177 to 181
Expenses											
Cash expenses ⁴	59.6	61.7	67.8	72.0	81.0	97.3	105.3	111.5	113.8	109 to 111	119 to 123
Total expenses	71.0	75.0	82.7	68.9	99.5	118.1	128.6	137.0	140.1	135 to 137	145 to 149
Income											
Net cash income	34.2	29.0	29.3	27.3	36.2	37.4	38.1	34.7	36.3	42 to 44	35 to 39
Total net farm income . . .	27.3	25.6	20.1	19.8	27.7	32.3	21.5	30.1	22.1	22 to 24	29 to 34
Deflated total net farm income ⁵	23.7	20.4	15.2	14.1	18.4	19.7	12.0	15.4	10.7	10 to 12	12 to 15
Off-farm Income ⁶	28.1	23.9	26.7	26.1	29.7	35.3	37.7	39.9	39.4	40 to 42	41 to 45

F = Forecast. ¹ Includes net CCC loans. ² Income from machine hire and custom work, farm recreational income, and direct government payments. ³ Imputed gross rental value of farm dwellings and value of home consumption. ⁴ Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. ⁵ Deflated by the GNP implicit price deflator, 1972=100. ⁶ Reflects changes in farm definition in 1975 and 1977.

Cash receipts from farming

	1982		1983										
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
Farm marketings and CCC loans¹	16,174	14,780	14,127	10,488	10,013	9,737	9,137	9,780	10,586	11,411	12,073	14,662	14,309
Livestock and products	5,681	5,678	6,783	5,945	6,182	6,028	5,508	5,821	6,260	5,971	5,875	6,244	5,595
Meat animals	3,276	3,168	3,392	3,804	3,740	3,661	3,008	3,263	2,692	3,419	3,245	3,548	3,005
Dairy Products	1,465	1,554	1,563	1,445	1,824	1,590	1,659	1,578	1,570	1,550	1,501	1,509	1,456
Poultry and eggs	849	875	726	626	735	685	757	902	809	929	964	963	1,042
Other	91	81	102	70	83	92	82	78	189	73	165	224	92
Crops	10,493	9,102	8,344	4,543	3,831	3,709	3,631	3,959	5,326	5,440	6,198	8,418	8,714
Food grains	1,153	774	1,038	582	461	370	377	889	1,754	1,396	867	723	670
Feed crops	2,430	2,894	3,256	1,522	1,255	986	961	1,149	1,071	1,049	1,251	1,150	1,590
Cotton (lint and seed)	1,115	1,161	630	380	-107	-9	101	88	55	83	136	1,058	1,395
Tobacco	441	533	449	110	37	29	10	0	14	542	583	307	342
Oil-bearing crops	2,680	1,539	1,539	672	704	545	424	422	714	727	1,080	2,744	1,933
Vegetables and melons	606	523	462	441	591	708	767	484	640	706	991	985	712
Fruits and tree nuts	848	743	424	318	237	314	378	496	586	496	684	756	779
Other	1,220	935	546	518	653	766	613	431	492	441	626	696	1,293
Government payments	974	444	681	511	148	706	288	243	167	72	129	256	230
Total cash receipts²	17,148	15,224	14,808	10,999	10,161	10,443	9,425	10,023	10,753	11,483	12,202	14,918	14,539

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Cash receipts estimates reported in this issue for 1982 contain revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Cash receipts¹ from farm marketings, by States, January-November

State	Livestock and Products		Crops ²		Total ²	
	1982	1983	1982	1983	1982	1983
	\$Mil.					
North Atlantic						
Maine	226.2	232.4	149.4	133.2	375.7	365.7
New Hampshire	68.8	70.9	26.3	25.1	95.1	96.0
Vermont	342.9	356.1	30.8	31.0	373.7	387.0
Massachusetts	123.3	123.0	185.6	174.7	308.9	297.7
Rhode Island	12.8	12.6	14.8	14.4	27.6	27.0
Connecticut	175.7	180.2	110.5	98.0	286.2	278.2
New York	1,706.4	1,746.4	657.8	571.7	2,364.2	2,418.1
New Jersey	117.2	117.0	366.5	371.0	483.7	488.0
Pennsylvania	1,982.8	2,014.8	740.5	728.0	2,723.3	2,742.8
North Central						
Ohio	1,418.9	1,429.9	1,908.7	2,102.0	3,327.6	3,531.8
Indiana	1,608.5	1,577.2	2,524.6	2,248.6	4,133.0	3,825.9
Illinois	2,158.9	2,106.2	4,626.5	3,819.1	6,785.3	5,925.3
Michigan	1,070.9	1,083.1	1,460.0	1,595.3	2,530.9	2,679.4
Wisconsin	3,764.6	3,589.9	949.9	1,055.8	4,714.6	4,645.7
Minnesota	3,249.7	3,215.3	2,635.7	2,735.1	5,885.4	5,950.4
Iowa	5,441.8	5,353.9	3,633.0	3,960.1	9,074.8	9,314.0
Missouri	1,892.3	1,856.4	1,477.7	1,163.7	3,370.0	3,020.1
North Dakota	556.1	577.1	1,891.1	2,023.8	2,447.2	2,601.0
South Dakota	1,513.9	1,494.0	839.5	985.4	2,353.4	2,479.3
Nebraska	3,870.3	3,716.0	2,283.9	2,003.7	6,154.2	5,719.7
Kansas	3,152.6	3,100.2	2,179.8	1,839.4	5,332.4	4,939.6
Southern						
Delaware	268.4	287.4	111.3	119.0	379.6	406.4
Maryland	662.1	698.6	320.0	337.3	982.1	1,035.9
Virginia	932.9	945.5	613.0	559.3	1,545.9	1,504.8
West Virginia	158.3	164.7	47.3	44.7	205.6	209.3
North Carolina	1,467.1	1,496.3	2,346.5	1,896.1	3,813.6	3,392.4
South Carolina	366.4	376.6	682.5	604.4	1,048.9	981.0
Georgia	1,525.0	1,581.4	1,391.1	1,345.5	2,916.1	2,926.9
Florida	864.4	900.3	2,861.5	2,995.8	3,725.9	3,896.1
Kentucky	1,198.2	1,189.8	1,231.7	1,016.2	2,429.9	2,206.0
Tennessee	823.8	813.7	1,012.1	887.8	1,835.9	1,701.5
Alabama	1,133.3	1,177.5	938.2	812.7	2,071.5	1,990.2
Mississippi	869.5	895.3	1,162.9	1,160.5	2,032.4	2,055.7
Arkansas	1,509.0	1,475.7	1,577.0	1,282.8	3,086.0	2,758.6
Louisiana	467.5	474.4	1,077.9	1,137.5	1,545.4	1,611.9
Oklahoma	1,966.8	1,905.6	935.3	871.5	2,902.1	2,777.0
Texas	4,934.1	4,959.8	3,792.3	3,617.9	8,726.4	8,577.7
Western						
Montana	586.0	599.5	853.7	875.3	1,439.8	1,474.8
Idaho	751.7	756.0	1,185.2	1,011.3	1,917.0	1,767.3
Wyoming	384.4	373.2	97.8	100.9	482.0	474.1
Colorado	1,848.2	1,839.0	678.5	655.0	2,726.8	2,494.1
New Mexico	585.9	608.8	298.2	297.1	884.1	906.0
Arizona	638.5	626.8	829.0	869.7	1,457.6	1,496.5
Utah	377.5	375.9	118.9	120.9	496.5	496.8
Nevada	151.9	156.5	53.2	51.2	215.1	217.7
Washington	912.1	929.2	1,870.5	1,896.1	2,782.6	2,825.3
Oregon	602.6	603.6	1,038.8	959.6	1,641.4	1,563.2
California	4,003.5	3,969.9	8,863.0	8,238.9	12,866.6	12,208.8
Alaska	5.9	5.9	8.6	8.6	14.5	14.5
Hawaii	71.2	71.7	371.9	549.8	443.1	621.5
United States	64,520.8	64,211.2	65,250.6	62,113.2	129,771.3	126,324.5

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm marketing indexes (physical volume)

	Annual		1982		1983					
	1980	1981	1982 p ^h	Nov	June	July	Aug	Sept	Oct	Nov
1977=100										
All commodities	111	111	120	123	114	118	108	110	94	95
Livestock and Products	101	103	104	97	111	106	109	108	101	97
Crop	120	119	136	140	116	131	107	111	90	93

p = preliminary. Volume of marketing indexes reported in this issue for 1982 contains revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Farm production¹

Item	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983 ²
1977=100										
Farm output	88	95	97	100	104	111	103	118	117	99
All livestock products ³	100	95	99	100	101	104	108	109	107	110
Meat animals	104	97	100	100	100	103	107	106	101	105
Dairy products	94	94	98	100	99	101	106	108	110	113
Poultry and eggs	94	92	98	100	106	114	115	119	119	120
All crops ⁴	84	93	92	100	102	113	101	116	118	87
Feed grains	74	91	96	100	108	116	97	121	124	67
Hay and forage	96	100	94	100	106	108	98	106	110	101
Food grains	91	108	107	100	93	108	121	144	140	117
Sugar crops	89	114	112	100	101	94	97	107	96	96
Cotton	82	58	74	100	76	102	79	109	83	54
Tobacco	104	114	112	100	106	80	93	108	104	74
Oil crops	71	86	74	100	105	129	99	114	124	89
Cropland used for crops	96	97	98	100	97	100	102	103	103	88
Crop production per acre	88	96	94	100	105	113	99	113	115	99

¹For historical data and indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 657. ²Preliminary indexes for 1983 based on November 1983 Crop Production report and other releases of the Crop Reporting Board, SRS. ³Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1983						1984
	1981	1982	1983	Jan	Aug	Sept	Oct	Nov	Dec	Jan p
1977=100										
Prices Received										
All farm products	139	133	135	128	139	136	134	135	140	143
All crops	134	121	129	114	139	135	134	134	137	137
Food grains	166	146	148	147	149	151	150	147	144	143
Feed grains and hay	141	120	144	119	155	155	151	151	151	152
Feed grains	145	120	146	118	160	160	153	154	153	154
Cotton	111	92	104	94	111	104	106	112	111	106
Tobacco	140	153	156	157	151	162	157	152	151	151
Oil-bearing crops	110	88	102	85	115	124	120	119	118	116
Fruit	130	175	128	135	161	106	117	120	142	129
Fresh market ¹	132	187	129	138	171	103	116	119	148	131
Commercial vegetables	136	127	131	106	119	124	135	132	145	161
Fresh market	135	120	130	96	114	121	134	131	150	168
Potatoes ²	177	125	123	87	171	132	115	127	139	153
Livestock and products	143	145	141	142	139	137	135	135	143	150
Meat animals	150	155	147	152	144	138	134	132	143	149
Dairy products	142	140	140	142	137	139	142	143	142	141
Poultry and eggs	116	110	118	101	122	129	124	137	147	164
Prices paid										
Commodities and services, interest, taxes, and wage rates	150	156	160	158	160	161	161	162	163	164
Production items	148	149	153	150	153	154	153	154	155	155
Feed	134	122	134	120	138	142	140	143	143	144
Feeder livestock	164	164	160	165	151	147	146	151	156	156
Seed	138	141	141	141	141	142	142	142	142	142
Fertilizer	144	144	137	139	138	138	134	134	136	136
Agricultural chemicals	111	119	125	121	126	126	126	126	126	126
Fuels & energy	213	210	202	205	209	206	206	203	201	202
Farm & motor supplies	147	153	152	154	151	151	148	149	149	148
Autos & trucks	143	159	170	167	170	171	172	177	178	178
Tractors & self-propelled machinery	152	165	174	168	176	177	177	177	177	177
Other machinery	146	160	171	165	173	174	174	174	174	174
Building & fencing	134	135	138	136	139	139	138	138	137	137
Farm services & cash rent	137	143	148	147	148	148	148	148	147	151
Interest payable per acre on farm real estate debt	211	233	236	251	236	236	236	236	251	256
Taxes payable per acre on farm real estate	123	131	140	137	140	140	140	140	137	145
Wage rates (seasonally adjusted)	137	143	147	147	147	147	147	147	147	152
Production items, interest, taxes, and wage rates	151	154	158	157	159	159	158	159	161	162
Prices received (1910-14=100)	633	609	616	585	635	621	614	615	641	655
Prices paid, etc. (Parity Index) (1910-14=100)	1,035	1,076	1,105	1,088	1,108	1,112	1,110	1,116	1,119	1,128
Parity ratio ³	61	57	56	54	57	56	55	55	57	58

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of Prices Paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1983						1984
	1981	1982	1983	Jan	Aug	Sept	Oct	Nov	Dec p	Jan p
Crops										
All wheat (\$/bu.)	3.88	3.52	3.52	3.57	3.61	3.66	3.61	3.54	3.47	3.43
Rice, rough (\$/cwt.)	11.90	8.36	8.31	8.05	8.40	8.48	8.80	8.82	8.66	8.74
Corn (\$/bu.)	2.92	2.37	2.99	2.36	3.35	3.32	3.15	3.17	3.15	3.15
Sorghum (\$/cwt.)	4.72	4.00	4.89	4.09	5.29	5.26	5.02	5.01	4.93	4.92
All hay, baled (\$/ton)	67.70	68.60	74.80	70.50	72.20	74.20	78.50	76.40	77.90	80.00
Soybeans (\$/bu.)	6.92	5.78	6.73	5.56	7.57	8.28	7.96	7.80	7.74	7.49
Cotton, Upland (cts./lb.)	67.1	55.5	63.2	56.0	66.3	63.1	64.1	67.6	67.3	63.9
Potatoes (\$/cwt.)	6.95	5.10	4.98	3.53	7.17	5.77	4.50	4.99	5.30	6.10
Dry edible beans (\$/cwt.)	28.60	16.80	18.20	12.00	22.30	24.00	23.90	24.20	24.40	22.10
Apples for fresh use (cts./lb.)	13.2	15.4	13.3	11.8	14.4	18.0	16.5	15.3	14.6	14.3
Pears for fresh use (\$/ton)	264	300	287	298	258	231	255	309	238	193
Oranges, all uses (\$/box) ¹	3.77	7.47	3.68	4.71	6.07	1.49	.94	2.10	4.40	3.26
Grapefruit, all uses (\$/box) ¹	3.65	2.04	2.02	1.64	3.35	1.74	4.07	1.75	1.69	2.35
Livestock										
Beef cattle (\$/cwt.)	58.50	57.00	55.70	54.30	54.20	52.30	51.70	51.20	54.20	56.50
Calves (\$/cwt.)	64.50	60.20	62.10	62.40	57.40	56.10	57.10	59.20	60.60	61.40
Hogs (\$/cwt.)	43.40	54.00	46.20	55.30	46.70	44.10	40.40	37.50	44.20	47.30
Lambs (\$/cwt.)	55.40	54.60	55.50	55.50	48.30	47.80	50.90	55.80	58.90	59.50
All milk, sold to plants (\$/cwt.)	13.80	13.60	13.60	13.80	13.30	13.50	13.80	13.90	13.80	13.70
Milk, manuf. grade (\$/cwt.)	12.70	12.70	12.60	12.90	12.20	12.50	12.80	13.00	12.60	12.60
Broilers (cts./lb.)	28.0	26.8	29.2	25.8	31.6	33.8	29.3	33.0	33.7	36.9
Eggs (cts./doz.) ²	58.5	63.0	56.1	52.6	63.3	65.4	68.5	75.8	83.4	96.1
Turkeys (cts./lb.)	38.5	37.5	36.1	31.9	34.9	39.1	39.2	39.9	45.4	46.6
Wool (cts./lb.) ³	91.1	68.0	65.4	53.2	62.3	61.6	75.6	70.5	71.4	63.7

¹ Equivalent on-tree returns. ² Average of all eggs sold by producers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. * Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1982	1983							
	1983	Dec	May	June	July	Aug	Sept	Oct	Nov	Dec
1967=100										
Consumer price index, all items	298.4	292.4	297.1	298.1	299.3	300.3	301.8	302.6	303.1	303.5
Consumer price index, less food	298.3	292.1	296.5	297.8	299.3	300.5	302.3	303.2	303.9	304.0
All food	291.7	286.5	292.4	292.0	292.0	292.2	292.6	292.9	292.5	293.9
Food away from home	319.9	312.6	318.6	319.3	319.8	321.0	322.2	323.9	324.8	325.5
Food at home	282.2	277.8	283.8	283.0	282.8	282.5	282.5	282.3	281.4	283.0
Meats ¹	267.2	271.1	272.7	270.2	267.8	264.2	262.6	260.4	258.6	258.3
Beef and veal	272.3	270.2	281.3	278.6	275.8	270.7	268.0	266.2	265.7	266.0
Pork	255.8	270.1	257.3	254.1	251.2	249.6	250.2	246.4	241.1	240.3
Poultry	197.5	190.4	192.0	193.6	198.1	200.5	204.4	199.6	201.7	209.8
Fish	374.9	369.6	372.6	371.2	368.9	372.7	372.6	374.1	374.9	376.4
Eggs	187.1	172.5	181.8	173.8	177.9	183.7	193.3	200.1	208.2	234.0
Dairy products ²	250.0	247.8	250.3	249.8	249.8	250.2	250.2	250.1	250.2	249.9
Fats and oils ³	263.1	258.6	258.3	258.3	259.0	258.1	264.8	271.1	275.4	278.2
Fruits and vegetables	292.2	277.6	298.2	298.2	298.7	299.4	297.6	296.7	288.9	292.6
Fresh	297.6	272.3	311.0	310.9	310.6	310.7	306.6	304.9	288.7	294.2
Processed	288.8	286.0	286.7	286.9	288.2	289.5	290.2	290.3	291.6	293.3
Cereals and bakery products	292.5	286.3	291.7	292.4	293.7	294.0	293.7	294.0	295.7	297.1
Sugar and sweets	374.4	369.2	373.1	374.5	376.1	375.8	376.4	375.5	376.0	377.7
Beverages, nonalcoholic	432.2	424.3	431.1	431.0	428.7	430.7	431.2	436.4	435.2	433.7
Apparel commodities less footwear	180.8	178.4	180.2	179.7	179.3	181.9	185.3	185.4	185.3	183.4
Footwear	206.9	205.9	208.0	206.8	203.8	205.7	208.0	208.6	209.1	207.9
Tobacco products	291.0	272.3	285.3	285.9	294.6	297.7	298.0	299.0	299.9	299.9
Beverages, alcoholic	216.5	210.9	216.6	217.0	217.2	217.1	218.4	218.9	218.6	218.1

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1982		1983				
	1980	1981	1982 p	Dec	July	Aug	Sept	Oct	Nov	Dec
	1967=100									
Finished goods¹	247.0	269.8	280.7	285.5	285.7	286.1	285.1	287.9	286.8	287.1
Consumer foods	239.5	253.6	259.3	258.3	260.7	260.7	263.3	264.3	261.8	264.0
Fresh fruit	237.6	228.9	236.9	235.4	265.0	269.5	262.6	297.6	269.3	258.9
Fresh and dried vegetables	219.0	278.0	246.5	238.2	230.7	248.4	264.4	293.0	257.4	263.1
Eggs	171.0	187.1	178.7	170.0	177.2	189.5	200.1	n.a.	n.a.	n.a.
Bakery Products	247.8	268.2	275.4	279.4	286.2	286.7	287.0	290.2	290.5	291.4
Meats	235.9	239.0	250.6	239.4	236.5	232.4	229.1	224.6	216.6	227.1
Beef and veal	260.2	246.8	245.0	224.3	240.5	233.5	226.6	225.3	218.5	230.9
Pork	196.7	218.1	251.1	253.0	222.0	222.3	221.6	211.3	199.2	213.1
Poultry	193.3	193.3	178.7	172.0	186.1	188.6	198.9	190.5	202.1	206.7
Fish	370.9	377.8	422.4	446.0	434.0	431.9	440.1	438.6	450.8	422.6
Dairy Products	230.6	245.6	248.9	250.8	250.3	250.4	250.5	251.0	251.2	249.2
Processed fruits and vegetables	228.7	261.2	274.5	275.7	277.0	278.2	278.1	280.0	279.8	281.5
Shortening and cooking oils	233.2	238.0	234.4	227.2	239.7	250.8	305.0	304.7	296.3	290.3
Consumer finished goods less foods	250.8	276.5	287.8	295.0	292.7	293.2	291.3	293.7	293.0	292.5
Beverages, alcoholic	175.8	189.5	197.8	199.6	206.3	206.4	206.7	206.7	207.1	206.1
Soft drinks	261.0	305.1	319.1	321.0	323.9	325.0	327.1	329.0	330.3	331.6
Apparel	172.4	186.0	194.4	193.0	197.1	197.3	197.4	197.3	198.7	198.4
Footwear	233.1	240.9	245.0	247.7	249.9	250.1	250.9	251.2	251.4	251.3
Tobacco Products	245.7	268.3	323.2	383.5	373.5	373.3	376.5	376.7	376.7	377.0
Intermediate materials²	280.3	306.0	310.4	310.1	312.8	314.0	315.7	316.0	315.7	315.8
Materials for food manufacturing	264.4	260.4	255.1	249.8	257.4	260.5	269.3	264.0	260.4	262.5
Flour	187.6	191.9	183.4	180.8	189.3	189.0	189.7	187.5	185.1	183.5
Refined sugar ³	213.1	171.8	161.3	167.2	173.8	173.0	174.7	174.5	173.8	173.8
Crude vegetable oils	202.8	185.4	160.1	144.9	177.5	222.9	289.6	243.9	229.1	221.8
Crude materials⁴	304.6	329.0	319.5	312.7	320.6	326.9	328.3	324.5	324.1	327.8
Foodstuffs and feedstuffs	259.2	257.4	247.8	237.1	248.4	256.6	257.4	253.9	252.0	256.2
Fruits and vegetables ⁵	238.6	267.3	253.7	248.8	258.0	269.9	275.5	307.6	274.7	273.0
Grains	239.0	248.4	210.9	202.3	236.7	251.8	258.0	253.7	257.5	243.8
Livestock	252.7	248.0	257.8	237.2	240.7	242.2	231.5	229.4	220.5	238.2
Poultry, live	202.1	201.2	191.9	177.8	214.5	221.4	242.2	208.5	238.5	241.2
Fibers, plant and animal	271.1	242.0	202.9	200.6	230.4	240.7	238.7	234.5	243.6	244.1
Milk	271.2	287.4	282.5	285.5	278.7	281.7	284.4	284.1	283.2	281.4
Oilseeds	249.2	277.6	214.5	206.5	226.4	267.3	305.7	292.8	286.8	271.5
Coffee, green	430.3	330.1	311.5	299.7	298.8	301.3	301.3	301.3	301.3	301.3
Tobacco, leaf	222.2	246.9	269.9	n.a.	275.0	n.a.	283.8	275.0	267.2	264.8
Sugar, raw cane	413.0	272.7	278.5	297.8	314.9	321.4	321.4	314.9	314.2	311.6
All commodities	268.8	293.4	299.3	300.7	303.2	304.7	305.3	306.3	305.6	306.0
Industrial commodities	274.8	304.1	312.3	315.2	316.5	317.3	317.2	318.7	318.3	318.4
All foods¹	244.5	251.8	254.4	252.7	256.4	257.5	261.0	261.1	258.0	260.0
Farm products and processed foods and feeds	244.7	251.5	248.9	244.8	251.5	255.5	259.2	257.9	256.0	257.8
Farm products	249.4	254.9	242.4	232.6	244.3	253.5	256.3	255.2	251.0	254.0
Processed foods and feeds	241.2	248.7	251.5	250.5	254.4	255.5	259.7	258.3	257.6	258.8
Cereal and bakery Products	236.0	255.5	253.8	256.2	261.4	262.8	263.2	264.6	264.7	264.9
Sugar and confectionery	322.5	275.9	269.7	280.8	296.4	298.9	300.1	297.7	297.6	297.4
Beverages	233.0	248.0	256.9	259.0	263.7	263.9	264.5	265.1	266.1	266.5

¹ Commodities ready for sale to ultimate consumer. ² Commodities requiring further processing to become finished goods. ³ All types and sizes of refined sugar. ⁴ Products entering market for the first time which have not been manufactured at that point. ⁵ Fresh and dried. ⁶ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Note: Annual historical data on consumer and producer food price indexes may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 694, ERS, USDA.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1982	1983					
	1981	1982	1983 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Market basket¹:										
Retail cost (1967=100)	257.1	266.4	269.1	264.8	269.6	269.2	269.2	268.5	267.7	269.7
Farm value (1967=100)	243.0	245.8	240.4	234.2	239.6	241.1	241.9	239.5	236.8	245.8
Farm-retail spread (1967=100)	265.4	278.6	285.9	282.9	289.2	285.6	285.2	285.8	285.9	283.8
Farm value/retail cost (%)	35.0	34.2	33.1	32.7	33.9	33.2	33.2	33.0	32.8	33.7
Meat products:										
Retail cost (1967=100)	257.8	270.3	267.2	271.1	267.8	264.2	262.6	260.4	258.6	258.3
Farm value (1967=100)	235.5	251.3	235.8	237.4	235.2	230.9	223.9	221.2	210.4	221.7
Farm-retail spread (1967=100)	284.0	292.4	304.0	310.6	306.0	303.2	307.9	306.3	315.1	301.1
Farm value/retail cost (%)	49.3	50.2	47.6	47.2	47.4	47.2	46.0	45.8	43.9	46.0
Dairy products:										
Retail cost (1967=100)	243.6	247.0	250.0	247.8	249.8	250.2	250.2	250.1	250.2	249.9
Farm value (1967=100)	265.9	261.9	262.1	264.3	261.6	262.0	263.8	262.4	261.6	263.6
Farm-retail spread (1967=100)	224.1	233.9	239.3	233.3	239.4	239.9	239.5	239.3	240.0	237.8
Farm value/retail cost (%)	51.0	49.6	49.0	48.9	49.0	49.0	49.3	49.2	49.0	49.3
Poultry:										
Retail cost (1967=100)	198.6	194.9	197.5	190.4	198.1	200.5	204.4	199.6	201.7	209.8
Farm value (1967=100)	210.2	201.9	213.0	182.4	218.5	225.6	242.9	218.1	239.4	251.3
Farm-retail spread (1967=100)	187.4	188.1	182.4	198.1	178.4	176.2	167.1	181.7	165.2	170.0
Farm value/retail cost (%)	52.0	50.7	53.1	47.1	54.2	55.3	58.5	53.7	58.4	58.9
Eggs:										
Retail cost (1967=100)	183.8	178.7	187.1	172.5	177.9	183.7	193.3	200.1	208.2	234.0
Farm value (1967=100)	206.5	189.8	206.1	176.7	184.0	205.6	216.1	228.6	257.4	284.3
Farm-retail spread (1967=100)	150.9	163.7	159.5	166.4	169.0	152.1	160.4	158.9	137.1	161.4
Farm value/retail cost (%)	66.4	62.8	65.1	60.6	61.1	66.2	66.1	67.5	73.1	71.8
Cereal and bakery products:										
Retail cost (1967=100)	271.1	283.4	292.5	283.4	293.7	294.0	293.7	294.0	259.7	297.1
Farm value (1967=100)	204.4	178.8	189.9	178.8	181.7	194.3	200.0	199.4	195.0	203.7
Farm-retail spread (1967=100)	284.7	305.1	313.7	305.1	316.9	314.6	313.1	313.6	316.5	316.4
Farm value/retail cost (%)	12.9	10.8	11.1	10.8	10.6	11.3	11.7	11.6	11.3	11.1
Fresh fruits:										
Retail cost (1967=100)	286.1	323.2	303.6	283.1	331.5	339.8	327.6	314.1	291.2	281.0
Farm value (1967=100)	238.8	288.8	220.6	241.4	247.5	244.3	224.3	240.1	256.4	285.8
Farm-retail spread (1967=100)	307.3	338.7	304.8	301.8	369.2	382.7	374.0	347.3	306.8	278.9
Farm value/retail cost (%)	25.9	27.7	22.5	26.4	23.1	22.2	21.2	23.7	27.3	31.3
Fresh vegetables:										
Retail costs (1967=100)	287.4	288.9	299.3	288.9	295.8	293.8	297.2	305.5	297.4	316.6
Farm value (1967=100)	285.6	261.3	267.4	261.3	265.8	274.5	275.4	296.6	274.9	295.6
Farm-retail spread (1967=100)	288.3	301.8	314.3	301.8	310.0	302.9	307.4	309.7	308.0	326.5
Farm value/retail cost (%)	31.8	28.9	28.6	28.9	28.7	29.9	29.6	31.0	29.6	29.9
Processed fruits and vegetables:										
Retail cost (1967=100)	271.5	286.3	288.8	286.0	288.2	289.5	290.2	290.3	291.6	293.3
Farm value (1967=100)	290.6	267.2	252.5	269.2	253.7	257.5	256.5	254.5	254.2	255.0
Farm-retail spread (1967=100)	267.3	289.7	296.8	289.7	295.8	296.6	297.7	299.2	299.9	301.9
Farm value/retail costs (%)	19.4	17.1	15.8	17.1	16.0	16.1	16.0	15.9	15.8	15.7
Fats and oils:										
Retail cost (1967=100)	267.1	259.9	263.1	258.6	259.0	258.1	264.8	271.1	275.4	278.2
Farm value (1967=100)	262.4	207.8	251.0	187.6	237.8	282.8	347.5	307.8	291.4	292.4
Farm-retail spread (1967=100)	268.9	279.9	267.8	285.2	267.2	248.8	236.8	257.0	269.3	272.8
Farm value/retail cost (%)	27.3	22.2	26.5	20.4	25.5	32.4	35.4	31.5	30.0	29.2

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 694, ERS, USDA.

Farm-retail price spreads

	Annual			1982	1983					
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
Beef, Choice:										
Retail price ¹ (cts./lb.)	238.7	242.5	238.1	235.7	242.0	238.6	234.7	231.8	231.1	230.3
Net carcass value ² (cts.)	149.3	150.7	145.4	138.7	145.5	140.4	136.1	135.8	136.0	148.3
Net farm value ³ (cts.)	138.5	140.5	136.2	129.3	135.7	130.5	125.3	127.0	126.6	138.4
Farm-retail spread (cts.)	100.2	102.0	101.9	106.4	106.3	108.1	109.4	104.8	104.5	91.9
Carcass-retail spread ⁴ (cts.)	89.4	91.8	92.7	97.0	96.5	98.2	98.6	96.0	95.1	82.0
Farm-carcass spread ⁵ (cts.)	10.8	10.2	9.2	9.4	9.8	9.9	10.8	8.8	9.4	9.9
Farm value/retail price (%)	58	58	57	55	56	55	53	55	66	60
Pork:										
Retail price ¹ (cts./lb.)	152.4	175.4	169.8	183.5	166.6	165.7	163.9	162.3	159.0	158.1
Wholesale value ² (cts.)	106.7	121.8	108.9	124.2	104.2	109.1	103.4	99.8	100.8	110.8
Net farm value ³ (cts.)	70.3	88.0	76.5	88.2	73.2	78.4	72.4	66.4	62.4	76.6
Farm-retail spread (cts.)	82.1	87.4	93.3	95.3	93.4	87.3	91.5	95.9	96.6	81.5
Wholesale-retail spread ⁴ (cts.)	45.7	53.6	60.9	59.3	62.4	56.6	60.5	62.5	58.2	47.3
Farm-wholesale spread ⁵ (cts.)	36.4	33.8	32.4	36.0	31.0	30.7	31.0	33.4	38.4	34.2
Farm value/retail price (%)	46	50	45	48	44	47	44	41	39	48

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed.

Transportation Data

Rail rates, grain, and fruit and vegetable shipments

	Annual			1982	1983					
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
Rail freight rate index¹										
All products (1969=100)	327.6	351.4	355.8p	351.9	355.6	355.6	355.6p	357.1p	357.1p	357.2p
Farm products (1969=100)	315.0	337.2	342.7p	338.9	343.0	337.3	342.3p	343.8p	343.8p	345.3p
Grain (Dec. 1978=100)	148.1	159.5	160.1p	158.7	160.0	160.0	160.0p	160.5p	160.5p	160.5p
Food products (1969=100)	329.4	353.3	356.7p	352.8	356.4	353.1	336.4p	357.2p	357.2p	357.2p
Rail carloadings of grain (thou. cars) ²	26.3	24.4	26.1	20.9	27.9	27.5	29.7	31.4	29.5	25.9
Barge shipments of grain (mil. bu.) ³	38.2	41.9	41.0	37.4	43.3	42.0	37.0	50.5	46.8	38.5
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{3,4}	262	387	55.1	414	574	518	571	437	514	597
Rail (thou. cwt.) ^{3,4}	888	698	769	649	764	501	675	626	701	723
Truck (thou. cwt.) ^{3,4}	7,769	7,849	8,065	7,738	8,507	7,094	6,221	7,008	7,550	7,753

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1982. p = preliminary.

Livestock and Products

Poultry and eggs

	Annual			1982	1983					
	1981	1982	1983 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Broilers										
Federally inspected slaughter, certified (mil. lb.)	11,906	12,039	—	971.3	977.3	1,113.1	1,020.2	1,037.3	932.9	—
Wholesale price, 9-city, (cts./lb.) ¹	48.3	44.0	49.4	42.0	52.8	54.2	54.5	50.4	56.3	57.1
Price of broiler grower feed (\$/ton)	227	210	223	201	217	228	240	237	243	240
Broiler-feed price ratio (lb.) ²	2.6	2.5	2.6	2.4	2.8	2.8	2.8	2.5	2.7	2.8
Average weekly placements of broiler chicks, 19 States (mil.)	77.1	80.2	80.4	80.2	80.4	79.5	75.2	73.7	73.1	65.7
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,509	2,459	—	192.7	224.7	271.8	258.7	281.3	289.8	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	60.7	60.8	60.5	54.2	58.5	57.8	64.9	65.1	67.0	76.1
Price of turkey grower feed (\$/ton)	249	229	247	225	243	252	264	263	264	282
Turkey-feed price ratio (lb.) ²	3.1	3.3	2.9	3.0	2.8	2.8	3.0	3.0	3.0	3.5
Poults hatched (mil.)	187.3	184.2	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Poults placed in U.S. (mil.)	(*)	(*)	181.8	(*)	19.1	12.6	8.1	9.2	11.0	12.6
Eggs										
Price of laying feed (\$/ton)	210	190	204	186	202	208	218	218	220	219
Egg-feed price ratio (lb.) ²	6.0	6.1	6.1	6.0	5.7	6.1	6.0	6.3	6.9	7.6
Cartoned price, New York, grade A large (cts./doz.) ³	73.2	70.1	—	67.2	68.2	78.5	78.6	80.2	91.8	—
Replacement chicks hatched (mil.)	454	444	410	31.1	30.9	31.1	32.0	32.6	29.4	34.2
	Annual			1982	1983					
	1981	1982	1983 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Eggs										
Farm production (mil.)	69,827	69,680	67,613	6,012	5,634	5,600	5,448	5,650	5,535	5,767
Average number of layers on farms (mil.)	288	286	287	287	268	269	270	272	276	278
Rate of lay (eggs per layer)	243	244	247	20.9	21.0	20.8	20.2	20.8	20.1	20.8
	Annual			1982	1983					
	1981	1982	1983 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Stocks										
Eggs, shell (thou. cases)	31	35	34	34	44	24	25	25	45	18
Eggs, frozen (mil. lb.)	24.3	23.7	25.4	25.4	22.9	21.4	19.0	16.4	14.2	12.7
Broilers, beginning of period (mil. lb.)	22.4	32.8	22.3	22.3	20.8	21.4	23.8	26.0	28.9	22.9
Turkeys, beginning of period (mil. lb.)	198.0	238.4	203.9	203.9	255.7	323.5	384.0	432.2	460.1	251.6

¹ 12-city composite weighted average beginning April 25, 1983. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. ³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Not reported.

Dairy

	Annual			1982	1983					
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	12.57	12.48	12.49	12.62	12.50	12.48	12.48	12.52	12.56	12.11
Price of 16% dairy ration (\$/ton)	192	177	188	174	182	189	198	199	205	205
Milk-feed price ratio (lb.) ²	1.43	1.54	1.45	1.60	1.45	1.41	1.36	1.39	1.36	1.35
Wholesale prices:										
Butter, Grade A Chl. (cts./lb.)	148.0	147.7	147.3	147.9	147.2	147.7	151.0	147.6	147.2	143.1
Am. cheese, Wis. assembly pt. (cts./lb.)	139.4	138.3	138.3	140.4	137.0	137.0	139.2	140.6	140.7	136.7
Nonfat dry milk (cts./lb.) ³	93.1	93.2	93.2	93.4	93.4	93.4	93.4	93.4	93.4	91.1
USDA net removals:										
Total milk equiv. (mil. lb.) ⁴	12,860.9	14,281.6	16,813.5	755.9	1,355.6	1,178.6	615.0	680.7	674.4	920.0
Butter (mil. lb.)	351.5	382.0	413.2	15.5	23.4	16.6	5.9	18.1	10.4	19.0
Am. cheese (mil. lb.)	563.0	642.5	832.8	43.7	87.9	84.2	49.2	30.6	46.0	52.9
Nonfat dry milk (mil. lb.)	651.3	948.1	1,061.0	68.7	102.9	104.0	63.4	62.4	62.0	63.2
	Annual			1982			1983			
	1981	1982	1983	II	III	IV	I	II	III	IV
Milk:										
Total milk production (mil. lb.)	133,013	135,795	138,917	35,723	33,983	32,854	33,955	36,453	34,842	33,667
Milk per cow (lb.)	12,177	12,316	12,531	3,246	3,082	2,972	3,070	3,294	3,141	3,027
Number of milk cows (thou.)	10,923	11,026	11,086	11,004	11,026	11,053	11,059	11,068	11,093	11,124
Stocks, beginning										
Total milk equiv. (mil. lb.) ⁴	12,958	18,377	n.a.	18,022	20,990	20,916	20,054	22,204	23,847	24,418
Commercial (mil. lb.)	5,752	5,398	n.a.	5,167	5,042	4,569	4,803	5,047	5,145	5,421
Government (mil. lb.)	7,207	12,980	n.a.	12,855	15,949	16,347	15,451	17,156	18,702	18,996
Imports, total equiv. (mil. lb.) ⁴	2,329	2,477	n.a.	565	581	909	633	538	576	n.a.
Commercial disappearance										
milk equiv. (mil. lb.)	120,531	122,430	n.a.	30,942	31,794	31,042	27,943	30,527	31,431	n.a.
Butter:										
Production (mil. lb.)	1,228.2	1,257.0	n.a.	334.0	256.4	300.0	380.7	357.1	262.9	n.a.
Stocks, beginning (mil. lb.)	304.6	429.2	n.a.	447.8	541.6	510.0	466.8	533.0	588.5	555.3
Commercial disappearance (mil. lb.)	869.2	897.3	n.a.	217.6	217.3	251.0	208.3	208.5	219.0	n.a.
American cheese:										
Production (mil. lb.)	2,642.3	2,750.5	n.a.	759.4	673.2	655.7	705.2	819.3	703.3	n.a.
Stocks, beginning (mil. lb.)	591.5	889.1	n.a.	817.1	903.2	955.0	981.4	1,060.4	1,092.8	1,208.8
Commercial disappearance (mil. lb.)	2,147.9	2,165.0	n.a.	546.1	549.4	528.1	459.2	558.4	473.3	n.a.
Other Cheese:										
Production (mil. lb.)	1,635.3	1,789.4	n.a.	443.5	448.1	485.8	439.1	454.1	453.2	n.a.
Stocks, beginning (mil. lb.)	99.3	86.6	n.a.	80.9	91.6	99.2	82.8	85.3	101.9	114.2
Commercial disappearance (mil. lb.)	1,875.6	2,044.6	n.a.	484.5	501.0	596.2	496.2	496.5	498.3	n.a.
Nonfat dry milk:										
Production (mil. lb.)	1,314.3	1,400.6	n.a.	417.5	339.0	296.9	368.4	451.8	377.8	n.a.
Stocks, beginning (mil. lb.)	586.8	889.7	n.a.	975.6	1,132.4	1,240.1	1,282.0	1,305.7	1,400.9	1,419.1
Commercial disappearance (mil. lb.)	464.1	447.8	n.a.	75.5	147.1	120.2	109.0	111.2	129.4	n.a.
Frozen dessert production (mil. gal.)⁵	1,167.7	1,176.2	n.a.	333.7	345.8	247.5	263.2	348.4	369.6	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States production area, high heat spray process. ⁴ Milk-equivalent, fat-solids basis. ⁵ Ice cream, ice milk, and sherbet. n.a. = not available.

Wool

	Annual			1982	1983					
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. wool price, Boston¹ (cts./lb.)	278	247	212	n.a.	219	223	225	225	225	228
Imported wool price, Boston² (cts./lb.)	292	262	248	246	245	246	247	254	250	247
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	127,752	105,857	n.a.	9,551	8,723	10,521	12,841	11,207	11,160	n.a.
Carpet wool (thou. lb.)	10,896	9,825	n.a.	644	779	1,125	1,428	902	708	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1982 is 10.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding. n.a. = not available.

Meat animals

	Annual			1982		1983				
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	7,863	7,201	8,316	8,324	7,275	6,873	6,691	6,951	7,683	7,814
Placed on feed (thou. head)	17,814	20,261	19,739	1,533	1,190	1,566	2,003	2,460	1,711	1,736
Marketings (thou. head)	17,198	18,007	18,694	1,430	1,498	1,659	1,672	1,626	1,469	1,425
Other disappearance (thou. head)	1,263	1,139	1,355	111	94	89	71	102	121	119
Beef steer-corn Price ratio,										
Omaha (bu.) ²	22.2	26.5	20.6	25.2	19.6	18.1	17.8	18.4	18.3	19.8
Hog-corn Price ratio, Omaha (bu.) ²	15.5	22.9	15.9	23.0	14.4	14.6	13.8	12.9	11.9	14.5
Market prices (\$ per cwt.)										
Slaughter cattle:										
Choice steers, Omaha	63.84	64.30	62.52	59.82	62.22	61.27	59.19	59.58	59.41	62.85
Utility cows, Omaha	41.93	39.96	39.35	35.41	41.14	39.63	37.75	37.42	34.14	33.58
Choice vealers, S. St. Paul	77.16	77.70	72.97	78.40	75.00	75.00	73.38	66.75	67.50	67.50
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	66.24	64.82	63.70	62.35	60.13	58.58	58.31	60.20	61.00	63.65
Slaughter hogs:										
Barrows and gilts, 7-markets	44.45	55.44	47.71	54.94	45.66	49.35	45.70	41.38	38.79	46.37
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.40	51.14	33.96	47.42	21.24	24.01	22.96	22.27	24.54	27.65
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	58.40	56.44	57.40	51.62	50.75	51.30	50.88	54.44	57.94	60.50
Ewes, Good, San Angelo	26.15	21.80	16.85	14.44	17.00	14.45	11.82	13.13	17.17	18.33
Feeder lambs:										
Choice, San Angelo	56.86	52.97	54.87	52.44	44.38	43.62	42.94	49.81	57.69	60.00
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	99.84	101.31	97.83	92.62	97.72	95.01	92.10	91.24	91.57	99.82
Canner and Cutter cow beef	84.06	78.96	78.48	73.17	81.21	81.58	75.27	71.54	67.99	70.41
Pork loins, 8-14 lb.	96.56	111.51	—	106.12	—	—	—	—	—	—
Pork bellies, 12-14 lb.	52.29	76.54	60.58	74.02	59.06	65.72	55.30	49.10	50.86	54.59
Hams, skinned, 14-17 lb.	77.58	91.47	75.60	104.74	65.04	72.81	74.21	73.66	77.26	88.11

	Annual			1982		1983				
	1981	1982	1983	III	IV	I	II	III	IV	I
Cattle on feed (13-States):										
Number on feed (thou. head) ¹	9,845	9,028	10,271	8,981	8,800	10,271	9,153	9,070	8,465	9,908
Placed on feed (thou. head)	21,929	24,415	23,756	5,846	7,216	5,027	5,894	5,583	7,252	—
Marketings (thou. head)	21,219	21,799	22,528	5,773	5,374	5,694	5,527	5,891	5,416	*5,752
Other disappearance (thou. head)	1,527	1,373	1,591	254	371	451	450	297	393	—
Hogs and pigs (10-States):²										
Inventory (thou. head) ¹	45,970	42,440	43,430	41,190	41,670	42,440	41,840	45,250	45,880	—
Breeding (thou. head) ¹	6,021	5,670	5,605	5,689	5,553	5,670	5,928	6,224	5,829	—
Market (thou. head) ¹	39,949	36,770	37,825	35,501	36,117	36,770	35,912	39,026	40,051	—
Farrowings (thou. head)	9,821	8,963	9,628	2,199	2,363	2,090	2,768	2,400	2,370	*2,025
Pig crop (thou. head)	72,591	65,767	71,892	16,254	17,548	15,543	21,063	17,675	17,611	—
Commercial slaughter (thou. head)³										
Cattle	34,953	35,843	36,663	9,214	9,308	8,734	8,844	9,548	9,537	—
Steers	17,508	17,277	17,488	4,323	4,133	4,265	4,387	4,524	4,312	—
Heifers	10,027	10,394	10,761	2,879	2,825	2,581	2,553	2,897	2,730	—
Cows	6,643	7,354	7,606	1,787	2,144	1,701	1,694	1,907	2,304	—
Bulls and stags	775	818	808	225	206	187	210	220	191	—
Calves	2,798	3,021	3,076	770	806	734	669	805	868	—
Sheep and lambs	6,008	6,449	6,614	1,628	1,681	1,624	1,574	1,737	1,679	—
Hogs	91,575	82,190	87,242	18,940	20,825	20,211	21,403	21,292	24,336	—
Commercial production (mil. lb.)										
Beef	22,214	22,366	23,060	5,730	5,818	5,525	5,549	6,012	5,974	—
Veal	415	423	428	107	110	103	98	110	117	—
Lamb and mutton	327	356	367	88	93	93	89	94	91	—
Pork	15,716	14,121	15,061	3,240	3,638	3,483	3,726	3,644	4,208	—

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). * Classes estimated.

Crops and Products

Food grains

	Marketing year ¹			1982		1983				
	1980/81	1981/82	1982/83	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.45	4.27	3.94	3.98	3.71	3.88	3.90	3.84	3.82	3.85
Wheat, DNS, Minneapolis (\$/bu.) ²	4.46	4.17	3.94	3.76	4.07	4.21	4.30	4.33	4.23	4.21
Flour, Kansas City (\$/cwt.)	10.35	10.37	10.20	10.30	*10.38	*10.34	*10.33	*10.30	10.02	9.68
Flour, Minneapolis (\$/cwt.)	10.98	10.70	10.50	10.45	*11.20	*11.16	*11.11	*11.11	10.81	10.44
Rice, S.W. La. (\$/cwt.) ³	25.95	20.20	18.00	18.40	18.75	19.40	19.75	19.35	19.50	19.50
Wheat:										
Exports (mil. bu.)	1,514	1,771	1,509	90	126	97	129	124	107	—
Mill grind (mil. bu.)	643	631	656	55	55	65	62	58	55	—
Wheat flour production (mil. cwt.)	290	280	292	24	25	29	27	26	24	—

	Marketing year ¹			1982				1983		
	1980/81	1981/82	1982/83	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	902	989	1,164	2,178	1,557	1,164	2,987	2,520	1,877	1,543
Domestic use:										
Food (mil. bu.)	611	602	616	152	89	206	162	151	97	210
Feed and seed (mil. bu.) ⁴	165	253	316	29	24	238	15	53	9	332
Exports (mil. bu.)	1,514	1,771	1,509	441	280	546	293	442	228	475

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary Protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. n.a. = not available. *BLS discontinued reporting prices, prices estimated based on index.

Feed grains

	Marketing year ¹			1982		1983				
	1980/81	1981/82	1982/83	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale prices:										
Corn, No. 2 yellow, St. Louis (\$/bu.)	3.35	2.61	2.98	2.49	3.39	3.68	3.60	3.50	3.53	3.45
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.36	4.29	4.96	4.37	5.32	5.69	5.55	5.37	5.25	5.16
Barley, feed, Minneapolis (\$/bu.)	2.60	2.21	1.76	1.59	1.95	2.42	2.61	2.60	2.53	2.39
Barley, malting, Minneapolis (\$/bu.)	3.64	3.06	2.53	2.37	2.54	2.76	2.90	2.96	2.95	2.77
Exports:										
Corn (mil. bu.)	2,355	1,967	1,870	175	125	120	144	156	197	176
Feed grains (mil. metric tons) ²	69.4	58.4	54.0	5.2	3.6	3.7	4.6	4.7	5.7	5.3
	Marketing year ¹			1982				1983		
	1980/81	1981/82	1982/83	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Corn:										
Stocks, beginning (mil. bu.)	1,618	1,034	2,182	6,968	5,132	3,904	2,182	8,284	6,247	4,962
Domestic use:										
Feed (mil. bu.)	4,139	4,276	4,635	1,194	672	857	1,542	1,360	824	909
Food, seed, ind. (mil. bu.)	735	812	898	153	147	342	203	169	153	373
Feed grains:³										
Stocks, beginning (mil. metric tons)	52.4	34.6	68.4	207.0	150.5	114.3	82.4	247.0	185.7	147.6
Domestic use:										
Feed (mil. metric tons)	123.0	130.6	142.8	36.6	20.1	26.3	48.1	41.1	24.7	30.4
Food, seed, ind. (mil. metric tons)	23.8	25.8	27.9	5.2	5.0	10.3	6.2	5.5	5.2	11.1

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley.

Fats and oils

	Marketing year ¹			1982		1983				
	1980/81	1981/82	1982/83	Dec	July	Aug	Sept	Oct	Nov	Dec
Soybeans:										
Wholesale price, No. 1 yellow,										
Chicago (\$/bu.) ¹	7.59	8.24	6.11	5.65	6.62	8.42	8.85	8.38	8.15	—
Crushings (mil. bu.)	1,020.5	1,029.7	1,108.0	111.9	81.6	85.7	86.6	96.4	88.7	—
Exports (mil. bu.)	724.3	929.1	905.2	90.1	51.6	60.2	53.9	67.6	69.2	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	22.7	19.0	20.6	16.6	21.6	30.2	34.3	30.7	28.1	27.3
Production (mil. lb.)	11,270.2	10,979.4	12,040.4	1,191.1	888.0	930.2	945.3	1,081.0	959.4	—
Domestic disappearance (mil. lb.)	9,113.7	9,536.3	9,857.3	787.2	813.7	808.9	866.7	833.3	714.8	—
Exports (mil. lb.)	1,630.5	2,076.3	2,024.7	142.0	208.9	125.1	225.1	55.1	54.7	—
Stocks, beginning (mil. lb.)	1,210.2	1,736.1	1,102.5	1,304.7	1,545.9	1,411.4	1,407.6	1,260.9	1,453.4	1,643.3
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	218.18	182.52	187.19	178.5	189.3	232.8	233.6	228.6	224.7	—
Production (thou. ton)	24,312.1	24,634.4	26,713.6	2,679.1	1,933.5	2,052.8	2,075.1	2,287.9	2,053.3	—
Domestic disappearance (thou. ton)	17,590.9	17,714.4	19,306.0	2,035.6	1,459.0	1,709.0	1,587.0	1,749.2	1,429.5	—
Exports (thou. ton)	6,784.1	6,907.5	7,108.7	660.8	381.8	330.5	392.5	593.5	617.5	—
Stocks, beginning (thou. ton)	226.6	162.7	175.2	349.6	272.3	365.2	378.5	474.1	419.3	425.6
Margarine, wholesale price, Chicago (cts./lb.)	47.0	41.4	46.3	40.6	43.5	81.9	58.5	55.7	52.0	48.3

¹ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. ² Beginning April 1, 1982, prices based on 30-day delivery, using upper end of the range.

Cotton

	Marketing year ¹			1982		1983				
	1980/81	1981/82	1982/83	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. price, SLM, 1-1/16 in. (cts./lb.)²										
	83.0	60.5	63.1	59.7	70.3	72.9	71.7	72.0	73.4	73.0
Northern Europe prices:										
Index (cts./lb.) ³	93.3	73.8	—	69.7	88.4	90.8	89.9	88.1	89.1	—
U.S. M 1-3/32" (cts./lb.) ⁴	na	75.9	—	73.3	88.1	88.9	88.2	88.1	88.6	—
U.S. mill consumption (thou. bales)	5,870.5	5,263.8	5,512.8	444.5	386.8	476.1	584.8	481.4	467.8	—
Exports (thou. bales)	5,925.8	6,567.3	5,206.8	394.9	432.3	402.8	339.2	274.0	462.2	—

¹ Beginning August 1. ² Average, spot market. ³ Liverpool Outlook "A" index; average of five lowest prices of 10 selected growths. ⁴ Memphis territory growths. na = not available.

Fruit

	Annual			1982		1983				
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale price indexes:										
Fresh fruit (1967=100)	226.7	235.4	250.6	234.2	265.0	269.5	262.6	297.6	289.3	258.9
Dried fruit (1967=100)	405.9	409.7	409.3	411.3	412.5	412.2	413.6	404.2	404.3	405.2
Canned fruit and juice (1967=100)	273.8	283.7	286.8	283.4	286.5	288.0	288.4	289.8	294.2	293.9
Frozen fruit and juice (1967=100)	302.8	305.5	300.9	297.5	301.3	301.2	302.3	302.4	303.0	301.8
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	9.24	² 11.06	³ 15.50	12.17	10.50	10.38	10.50
Pears, Medford, Or. (\$/box) ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	11.30	14.10	14.40	12.90	12.90	14.10	9.90	8.96	12.05	12.55
Grapefruit, U.S. avg. (\$/box)	10.10	9.36	9.13	8.55	10.40	10.60	10.80	10.70	7.74	8.02
	Year ending			1982		1983				
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
Stocks, ending:										
Fresh apples (mil. lb.)	2,676.1	3,082.3	2,980.6	3,082.3	68.2	12.0	1,753.8	3,949.2	3,773.5	2,980.6
Fresh pears (mil. lb.)	207.9	180.9	250.6	180.9	12.6	113.2	510.6	358.6	312.2	250.6
Frozen fruit (mil. lb.)	545.6	627.5	643.1	623.6	549.8	610.0	625.2	694.3	658.2	643.1
Frozen fruit juices (mil. lb.)	1,127.2	1,157.6	938.1	1,158.4	1,528.2	1,253.0	1,089.7	977.6	886.9	938.1

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-113's. ² D'Anjou pears, Medford, Or. wrapped, U.S. No. 1, 100-135's. ³ Control atmosphere storage. n.a. = not available.

Vegetables

	Annual			1982	1983					
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	9.39	6.05	7.76	3.82	10.97	11.58	8.91	8.37	9.52	8.60
Iceberg lettuce (\$/crtn.) ¹	5.27	5.92	6.29	5.72	4.23	5.49	6.91	7.29	7.29	7.25
Tomatoes (\$/crtn.) ²	9.06	7.40	8.69	9.33	4.52	3.72	5.41	6.39	6.00	5.14
Wholesale price index, 10 canned										
veg. (1967=100)	235	239	235	233	236	235	236	242	239	246
Grower price index, fresh commercial										
veg. (1977=100)	135	120	129	109	109	113	121	134	131	144

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1982	1983					
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. raw sugar price, N.Y. (cts./lb.) ¹ . . .	19.73	19.92	22.04	20.83	22.09	22.55	22.20	21.94	21.83	21.47
U.S. deliveries (thou. short tons) ^{2,3} . . .	9,731	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid-August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1982	1983					
	1981	1982	1983 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Prices at auctions:										
Flue-cured (cts./lb.) ¹	166.4	178.6	177.9	—	141.0	166.0	190.0	174.0	153.0	—
Burley (cts./lb.) ¹	180.6	180.3	179.5	179.5	—	—	—	—	180.5	177.0
Domestic consumption²										
Cigarettes (bil.)	640.0	633.0	603.0	33.1	43.0	54.5	52.5	n.a.	n.a.	n.a.
Large cigars (mil.)	3,893	3,607	3,565	266.2	254.9	359.0	332.6	n.a.	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1982	1983					
	1980	1981	1982 p	Dec	July	Aug	Sept	Oct	Nov p	Dec p
Composite green price, N.Y. (cts./lb.) . . .	157.78	122.10	132.00	135.46	127.36	127.73	129.86	139.50	141.92	145.09
Imports, green bean equivalent (mil.lb.) ¹ .	2,466	2,248	2,352	213	183	175	210	235	192	200F
	Annual			1982	1983					
	1980	1981	1982 p	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec p
Roastings (mil. lb.) ²	2,255	2,324	2,293	498	536	674	554	486	549	650

¹ Green and processed coffee. ² Instant soluble and roasted coffee. F = Forecast. p = Preliminary.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Wheat:											
1979/80	71.4	62.5	34.2	2,134	3,060	86	697	1,375	2,158	902	3.78
1980/81	80.6	71.0	33.4	2,374	3,279	51	725	1,614	2,290	989	3.91
1981/82*	88.9	81.0	34.5	2,799	3,791	142	714	1,771	2,627	1,164	3.86
1982/83*	87.3	79.0	35.6	2,812	3,983	220	713	1,509	2,442	1,541	3.53
1983/84*	76.8	61.5	39.4	2,425	3,969	450	730	1,400	2,580	1,389	3.50-3.60
Rice:											
	Mil. acres		lb/acre				Mil. cwt (rough equiv.)				c/lb
1979/80	2.89	2.87	4,599	131.9	163.6	76.1	49.2	82.6	137.9	25.7	10.50
1980/81	3.38	3.31	4,413	146.2	172.1	9.7	54.5	91.4	155.6	16.5	12.80
1981/82*	3.83	3.79	4,819	182.7	199.6	9.0	59.6	82.0	150.6	49.0	9.05
1982/83*	3.29	3.26	4,708	153.6	203.3	8.9	54.0	68.9	131.8	71.6	8.11
1983/84*	2.19	2.17	4,598	99.7	171.9	7.0	60.0	65.0	132.0	39.9	8.50-9.50
Corn:											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1979/80	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81	84.0	73.0	91.0	6,645	8,263	4,139	735	2,355	7,229	1,034	3.11
1981/82*	84.2	74.7	109.8	8,202	9,237	4,276	812	1,967	7,055	2,182	2.50
1982/83*	81.8	73.0	114.5	8,359	10,542	4,634	898	1,870	7,402	3,140	2.68
1983/84*	60.2	61.5	81.6	4,204	7,345	3,975	950	1,875	6,800	645	3.20-3.40
Sorghum:											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1979/80	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81	15.6	12.5	46.3	579	726	301	11	305	617	109	2.94
1981/82*	16.0	13.7	64.1	879	988	431	11	249	691	297	2.39
1982/83*	16.1	14.2	59.1	841	1,138	514	10	215	739	399	2.52
1983/84*	11.8	9.9	48.8	483	882	450	10	200	560	222	2.80-3.00
Barley:											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1979/80	8.1	7.6	50.9	383	623	204	172	55	431	192	2.29
1980/81	8.3	7.3	49.6	361	563	174	175	77	426	137	2.86
1981/82*	9.7	9.2	52.3	479	626	202	174	100	476	150	2.45
1982/83*	9.6	9.1	57.3	522	683	243	170	47	460	223	2.16
1983/84*	10.6	9.9	52.4	519	752	340	175	100	615	137	2.45-2.55
Oats:											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1979/80	14.0	9.7	54.4	527	808	492	76	4	572	236	1.36
1980/81	13.4	8.7	53.0	458	686	432	74	13	618	177	1.79
1981/82*	13.7	9.4	54.1	509	688	453	76	7	536	152	1.89
1982/83*	14.2	10.6	58.4	621	777	459	85	3	547	230	1.48
1983/84*	20.3	9.1	52.5	477	725	480	80	5	565	160	1.60-1.70
Soybeans:											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1979/80	71.6	70.6	32.1	2,268	2,442	485	1,123	875	2,083	359	6.28
1980/81	70.0	67.9	26.4	1,792	2,151	489	1,020	724	1,833	318	7.57
1981/82*	67.8	66.4	30.1	2,000	2,318	493	1,030	929	2,052	266	6.04
1982/83*	71.5	69.8	31.9	2,229	2,495	491	1,108	905	2,104	383	5.65
1983/84*	63.5	62.2	25.7	1,595	1,976	418	985	725	1,828	150	7.50-8.25
Soybean oil:											
							Mil. lbs				c/lb
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82*	—	—	—	10,979	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83*	—	—	—	12,041	13,144	—	9,858	2,025	11,883	1,261	20.6
1983/84*	—	—	—	10,879	12,140	—	9,800	1,400	11,200	940	26.0-30.0
Soybean meal:											
							Thou. tons				\$/ton
1979/80	—	—	—	27,105	27,372	—	19,214	7,932	27,146	226	181.9
1980/81	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218.2
1981/82*	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83*	—	—	—	26,714	26,889	—	19,306	7,109	26,415	474	187
1983/84*	—	—	—	23,471	23,945	—	17,600	6,000	23,600	345	2.05-2.25

See footnotes at end of table.

Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total Supply ¹	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb/acre								c/lb
Cotton:											
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	\$62.5
1980/81	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	2.7	\$74.7
1981/82*	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.8	6.6	\$54.3
1982/83*	11.3	9.7	590	12.0	18.6	—	5.5	5.2	10.7	7.9	58.0
1983/84*	8.0	7.3	506	7.7	15.7	—	5.9	6.3	12.2	3.6	—

Supply and utilization—metric measure⁶

	Mil. hectares		Metric tons/ha	Mil. metric tons							\$/metric ton
Wheat:											
1979/80	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.5	139
1980/81	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	62.3	26.9	144
1981/82*	35.0	32.8	2.32	76.2	103.2	3.9	19.4	48.2	71.5	31.7	134
1982/83*	36.3	31.9	2.39	76.5	108.4	5.8	19.4	41.1	66.3	42.0	130
1983/84*	31.0	24.7	26.5	66.0	108.0	12.2	19.9	38.1	70.2	37.8	129-132

Mil. metric tons (rough equiv.)

Rice:											
1979/80	1.2	1.2	5.16	6.0	7.4	0.3	2.2	3.7	6.2	1.2	231
1980/81	1.4	1.3	4.95	6.6	7.8	0.4	2.5	4.2	7.1	0.7	282
1981/82*	1.5	1.5	5.40	8.3	9.0	0.4	2.7	3.7	6.8	2.2	200
1982/83*	1.3	1.3	5.28	7.0	9.2	0.4	2.5	3.1	6.0	3.2	179
1983/84*	0.9	0.9	5.15	4.5	7.8	0.3	2.8	2.9	6.0	1.8	187-209

Mil. metric tons

Corn:											
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81	34.0	29.5	5.72	168.8	209.9	105.1	18.7	59.8	183.6	26.3	122
1981/82*	34.1	30.2	6.90	208.3	234.6	108.6	20.6	50.0	179.2	65.4	88
1982/83*	33.1	29.5	7.20	212.3	267.8	117.7	22.8	47.5	188.0	79.8	106
1983/84*	24.4	20.8	5.13	106.8	186.5	101.0	24.1	47.6	172.7	13.8	126-134

Feed Grain:											
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82*	50.0	43.3	5.74	248.5	283.4	130.6	25.8	58.6	215.0	68.4	—
1982/83*	49.3	43.3	5.89	254.1	322.8	142.8	27.9	54.0	224.7	98.1	—
1983/84*	41.5	32.5	4.17	137.3	235.9	126.7	29.4	55.0	211.1	24.8	—

Soybeans:											
1979/80	29.0	28.6	2.16	61.7	66.5	2.3	30.6	23.8	56.7	9.8	231
1980/81	28.3	27.5	1.78	48.8	58.5	2.4	27.8	19.7	49.9	8.7	278
1981/82*	27.4	26.9	2.03	54.4	63.1	2.5	28.0	25.3	55.8	7.2	222
1982/83*	28.9	28.3	2.15	60.7	67.9	2.5	30.2	24.6	57.3	10.4	208
1983/84*	25.6	25.2	1.73	43.4	53.8	3.3	26.8	19.7	49.8	4.1	275-305

Soybean oil:											
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81	—	—	—	5.11	5.66	—	4.13	.74	4.87	.79	500
1981/82*	—	—	—	4.98	5.77	—	4.32	.94	5.27	.50	419
1982/83*	—	—	—	5.46	5.96	—	4.47	.92	5.39	.57	454
1983/84*	—	—	—	4.94	6.51	—	4.44	.64	5.08	.43	575-660

Soybean meal:											
1979/80	—	—	—	24.59	24.83	—	17.43	7.20	24.63	.20	201
1980/81	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82*	—	—	—	22.36	22.51	—	16.09	6.27	22.35	.16	201
1982/83*	—	—	—	24.24	24.39	—	17.51	6.45	23.96	.43	206
1983/84*	—	—	—	21.29	21.72	—	15.97	5.44	21.41	.31	225-250

\$/kg

Cotton:											
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	\$1.38
1980/81	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.56	.59	\$1.65
1981/82*	5.8	5.6	.61	3.41	3.99	—	1.15	1.44	2.57	1.44	\$1.20
1982/83*	4.6	3.9	.66	2.60	4.05	—	1.20	1.13	2.33	1.72	\$1.28
1983/84*	3.2	3.0	.57	1.68	3.42	—	1.29	1.37	2.66	.78	—

*January 24, 1983 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual		1982		1983			
	1981	1982	1983 p	IV	I	II	III	IV ^b
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product¹	2,954.1	3,073.0	3,309.5	3,109.6	3,171.5	3,272.0	3,362.2	3,432.0
Personal consumption expenditures	1,857.2	1,991.9	2,158.6	2,046.9	2,073.0	2,147.0	2,181.1	2,233.1
Durable goods	236.1	244.5	278.6	252.1	258.5	277.7	282.8	295.2
Nondurable goods	733.9	761.0	804.3	773.0	777.1	799.6	814.8	825.9
Clothing and shoes	115.3	119.0	125.6	119.6	120.0	126.4	125.1	130.9
Food and beverages	375.9	396.9	422.5	404.5	411.7	419.6	426.4	432.4
Services	887.1	966.4	1,075.7	1,021.8	1,037.4	1,069.7	1,083.6	1,112.0
Gross private domestic investment	474.9	414.5	471.3	377.4	404.1	450.1	501.1	529.8
Fixed investment	456.5	439.1	478.2	433.8	443.5	464.6	492.5	512.1
Nonresidential	352.2	348.3	347.7	337.0	332.1	336.3	351.0	371.2
Residential	104.3	90.8	130.5	96.8	111.3	128.4	141.5	140.8
Change in business inventories	18.5	-24.5	-6.9	-56.4	-39.4	-14.5	8.5	17.7
Net exports of goods and services	26.3	17.4	-10.6	5.6	17.0	-8.5	-18.3	-32.6
Exports	368.8	347.6	335.8	321.6	326.9	327.1	341.1	348.1
Imports	342.5	330.2	346.4	316.1	309.9	335.6	359.4	380.7
Government purchases of goods and services	595.7	649.2	690.2	679.7	677.4	683.4	698.3	701.7
Federal	229.2	258.7	275.2	279.2	273.5	273.7	278.1	275.6
State and local	366.5	390.5	415.0	400.5	404.0	409.7	420.2	426.1
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product	1,513.8	1,485.4	1,534.8	1,480.7	1,490.1	1,525.1	1,553.4	1,570.5
Personal consumption expenditures	956.8	970.2	1,011.4	979.6	986.7	1,010.6	1,016.0	1,032.2
Durable goods	141.2	139.8	156.0	143.2	145.8	156.5	157.9	163.6
Nondurable goods	362.5	364.2	376.3	366.0	368.9	374.7	378.1	383.3
Clothing and shoes	83.2	84.4	87.3	84.5	84.7	88.4	86.1	90.1
Food and beverages	181.8	184.0	191.3	186.3	188.2	189.4	193.1	194.4
Services	453.1	466.2	479.2	470.4	472.0	479.4	480.1	485.3
Gross private domestic investment	227.6	194.5	218.4	178.4	190.0	210.2	230.7	242.5
Fixed investment	219.1	203.9	220.7	201.1	205.4	215.6	227.0	235.0
Nonresidential	174.4	166.1	168.0	160.5	159.9	163.0	170.1	178.9
Residential	44.7	37.8	52.7	40.6	45.5	52.6	56.8	56.1
Change in business inventories	8.5	-9.4	-2.4	-22.7	-15.4	-5.4	3.8	7.5
Net exports of goods and services	43.0	28.9	11.7	23.0	20.5	12.3	11.4	2.5
Exports	159.7	147.3	138.9	136.5	137.3	136.2	140.7	141.5
Imports	116.7	118.4	127.2	113.5	116.8	123.9	129.2	139.0
Government purchases of goods and services	286.5	291.8	293.3	299.7	292.9	292.1	295.2	293.2
Federal	110.4	116.6	118.0	124.4	118.4	117.6	118.9	116.9
State and local	176.1	175.2	175.4	175.2	174.5	174.5	176.3	176.3
New Plant and Equipment expenditures (\$bil.)	321.49	316.43	303.20	303.18	293.03	293.46	304.70	321.60
Implicit price deflator for GNP (1972=100)	195.14	206.88	215.63	210.00	212.83	214.55	216.44	218.53
Disposable income (\$bil.)	2,047.6	2,176.5	2,335.6	2,227.8	2,225.9	2,301.0	2,361.7	2,423.6
Disposable income (1972 \$bil.)	1,054.7	1,060.2	1,094.3	1,066.1	1,073.8	1,083.0	1,100.1	1,120.3
Per capita disposable income (\$)	8,906	9,377	9,968	9,562	9,661	9,834	10,069	10,307
Per capita disposable income (1972 \$)	4,587	4,567	4,671	4,576	4,599	4,629	4,690	4,764
U.S. population, tot. incl. military abroad (mil.)	229.9	232.1	234.2	233.0	233.5	234.0	234.6	235.2
Civilian population (mil.)	227.7	229.9	232.0	230.8	231.3	231.8	232.4	233.0

See footnotes at end of next table.

Selected monthly indicators

	Annual		1982		1983					
	1980	1981	1982	Dec	July	Aug	Sept	Oct	Nov	Dec p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	147.1	151.0	138.6	135.2	149.7	151.8	153.8	155.0	156.1	156.9
Manufacturing (1967=100)	146.7	150.4	137.6	134.5	150.6	152.8	155.1	156.4	157.2	157.8
Durable (1967=100)	136.7	140.5	124.7	119.9	136.8	138.8	141.6	143.0	144.0	145.0
Nondurable (1967=100)	161.2	164.8	156.2	155.6	170.6	172.9	174.6	175.8	176.3	176.3
Leading economic indicators ² (1967=100)	138.2	140.9	136.8	140.9	158.2	158.9	160.2	162.2	161.9	162.9
Employment ⁴ (mil. persons)	99.3	100.4	99.5	99.0	101.2	101.5	101.9	102.0	102.6	102.9
Unemployment rate ⁴ (%)	7.0	7.5	9.5	10.7	9.5	9.5	9.2	8.8	8.4	8.2
Personal income ¹ (\$ bil. annual rate)	2,165.3	2,435.0	2,578.6	2,741.8	2,747.6	2,756.4	2,781.6	2,812.8	2,833.1	2,857.2
Hourly earnings in manufacturing ⁵ (\$)	7.27	7.99	8.50	8.68	8.86	8.79	8.90	8.92	8.98	9.05
Money stock-M1 (daily avg.) (\$bil.) ³	6414.1	6440.6	6478.2	478.2	515.5	516.7	517.1	517.9	518.3	521.1
Money stock-M2 (daily avg.) (\$bil.) ³	61,630.3	61,794.9	61,959.5	1,959.5	2,126.3	2,136.9	2,145.4	2,161.6	2,174.6	2,184.7
Three-month Treasury bill rate ³ (%)	11.506	14.077	10.686	8.01	9.12	9.39	9.05	8.71	8.71	8.96
Aaa corporate bond yield (Moody's) ⁷ (%)	11.94	14.17	13.79	11.83	12.15	12.51	12.37	12.25	12.41	12.57
Interest rate on new home mortgages ⁸ (%)	12.66	14.70	15.14	13.69	12.50	12.38	12.54	12.25	12.34	12.42
Housing starts, private (incl. farm) (thou.)	1,292	1,084	1,062	1,280	1,804	1,904	1,664	1,654	1,755	1,667
Auto sales at retail, total ¹ (mil.)	9.0	8.5	8.0	8.6	9.7	8.9	9.2	9.8	9.5	10.5
Business sales, total ¹ (\$ bil.)	327.3	356.1	344.2	338.4	372.4	374.4	380.6	382.2	387.2	—
Business inventories, total ¹ (\$ bil.)	492.9	526.2	511.9	511.9	505.8	510.4	513.9	516.0	518.0	—
Sales of all retail stores (\$ bil.) ¹	80.2	87.3	89.6	92.5	99.5	97.8	99.2	100.8	102.0p	102.1
Durable goods stores (\$ bil.)	24.4	26.3	26.7	28.7	32.3	30.9	32.1	33.1	34.1p	34.7
Nondurable goods stores (\$ bil.)	55.8	61.0	62.9	63.7	67.0	66.9	67.1	67.7	67.9p	67.4
Food stores (\$ bil.)	18.1	19.8	20.8	21.4	22.4	22.2	22.3	22.4	22.4p	22.1
Eating and drinking places (\$ bil.)	7.2	7.8	8.6	9.3	10.1	10.0	10.1	10.2	10.3p	10.1
Apparel and accessory stores (\$ bil.)	3.7	4.0	4.1	4.3	4.6	4.5	4.9	4.6	4.8p	4.7

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ^p Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1982		1983				
	1981	1982	1983 p	Dec	July	Aug	Sept	Oct	Nov	Dec p
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.80	4.38	4.30	4.39	4.04	4.15	4.26	4.19	4.16	4.17
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.40	2.80	3.49	2.72	3.59	3.97	3.84	3.79	3.78	3.67
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	3.28	2.81	3.34	2.90	3.25	3.51	3.59	3.41	3.46	3.33
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.40	6.36	7.31	6.03	6.83	8.29	9.06	8.72	8.63	8.26
Soybean oil, Decatur (cts./lb.)	21.07	18.33	23.51	16.29	21.58	30.07	34.31	30.49	27.89	27.37
Soybean meal, Decatur (\$/ton)	218.65	179.70	200.91	177.99	191.25	234.71	232.70	227.52	225.07	218.01
Cotton, 10 market av9. spot (cts./lb.)	71.93	60.10	68.68	59.64	70.27	72.93	71.66	72.01	73.41	73.04
Tobacco, avg. price of auction (cts./lb.)	156.48	172.20	173.96	178.02	174.92	168.48	180.55	174.92	169.97	168.48
Rice, f.o.b. mill, Houston (\$/cwt.)	25.63	18.89	19.39	18.00	19.40	19.50	19.65	20.00	20.00	20.00
Indeible tallow, Chicago (cts./lb.)	15.27	12.85	13.41	10.81	12.06	13.65	14.88	14.15	14.75	15.13
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	1.27	1.41	1.33	1.38	1.28	1.28	1.30	1.41	1.46	1.52
Sugar, N.Y. spot (cts./lb.)	19.73	19.86	22.04	19.86	22.09	22.55	22.20	21.94	21.83	21.47
Rubber, N.Y. spot (cts./lb.)	56.79	45.48	56.19	4.55	58.21	59.71	59.90	59.92	58.53	58.08
Cocoa beans, N.Y. (\$/lb.)90	.75	.92	.70	1.00	1.00	.93	.91	.97	1.12
Bananas, f.o.b. Port of entry (\$/40-lb. box)	7.28	6.80	7.93	6.22	9.13	8.42	7.70	7.47	6.21	n.a.

p = preliminary. n.a. = not available.

U.S. agricultural exports by regions

Region and country ¹	October-September		September		Change from year earlier	
	1981/82	1982/83	1982	1983	October-September	September
	\$ Mil.				percent	
Western Europe	12,171	10,149	684	768	-16	12
European Community (EC-10)	8,888	7,629	511	547	-14	7
Germany, Fed. Rep.	1,578	1,454	74	90	-8	22
Greece	206	182	3	6	-12	100
Italy	1,039	799	63	49	-23	-22
Netherlands	3,298	2,825	172	209	-14	22
United Kingdom	946	820	57	74	-13	30
Other Western Europe	3,283	2,519	173	221	-23	28
Portugal	583	638	41	48	9	17
Spain	1,847	1,139	71	82	-38	15
Eastern Europe	921	827	26	49	-10	88
German Dem. Rep.	228	123	(²)	7	-46	100
Poland	181	232	12	15	28	25
Romania	146	115	(²)	11	-21	100
USSR	2,321	983	12	10	-58	-17
Asia	14,135	13,588	974	1,187	-4	22
West Asia	1,486	1,482	85	131	0	54
Iran	97	4	(²)	0	-96	-100
Israel	340	293	10	21	-14	110
Saudi Arabia	472	445	40	39	-6	-3
South Asia	711	1,170	83	83	65	0
India	310	782	30	15	146	-50
East and Southeast Asia	11,938	10,936	807	973	-8	21
China Mainland	1,819	546	87	(²)	-70	-100
China Taiwan	1,166	1,237	77	140	6	82
Japan	5,735	5,889	389	560	3	44
Africa	2,450	2,273	163	244	-7	50
North Africa	1,395	1,453	80	151	4	89
Algeria	220	203	9	16	-8	78
Egypt	899	913	62	83	2	34
Other Africa	1,055	820	83	93	-22	12
Nigeria	538	331	33	31	-38	-6
Latin America and Caribbean	4,933	4,858	319	527	-2	65
Brazil	577	400	41	32	-31	-22
Mexico	1,493	1,777	28	169	19	504
Venezuela	746	617	32	68	-17	113
Canada	1,869	1,870	137	169	0	23
Oceania	272	136	73	19	-50	74
Total	39,095	34,771	2,388	2,973	-11	24

¹ Adjusted for transshipments through Canada. ² Less than \$500,000.

U.S. agricultural imports

	October-September				September			
	1981/82	1982/83	1981/82	1982/83	1982	1983	1982	1983
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	400,977	555,009	—	—	40,222	39,278
Meat and preparations, excl. poultry (mt) . . .	902	938	2,023,504	2,091,759	112	77	235,796	170,638
Beef and veal (mt)	663	661	1,387,143	1,387,431	89	54	173,955	117,694
Pork (mt)	212	251	560,883	637,598	20	20	54,112	45,382
Dairy products, excluding eggs	—	—	661,251	709,482	—	—	59,082	58,395
Poultry and poultry products	—	—	67,463	90,617	—	—	7,590	8,607
Grains and preparations	—	—	288,112	335,613	—	—	32,635	30,870
Wheat and flour (mt)	11	115	2,722	13,933	2	1	377	222
Rice (mt)	15	21	8,485	11,791	2	2	761	1,142
Feed grains (mt)	251	373	42,242	44,440	8	50	984	5,809
Other	—	—	234,663	265,449	—	—	30,513	23,697
Fruits, nuts, and preparations	—	—	1,688,052	1,865,491	—	—	150,997	125,953
Bananas, Fresh (mt)	2,557	2,416	552,827	554,128	268	171	58,399	37,391
Vegetables and preparations	—	—	1,118,423	1,136,884	—	—	58,800	63,362
Sugar and preparations, Incl. honey	—	—	1,380,157	1,228,759	—	—	45,511	132,656
Sugar, cane or beet (mt)	3,460	2,564	1,176,872	973,652	81	307	28,146	112,911
Coffee, tea, cocoa, spices, etc. (mt)	1,584	1,701	3,823,377	3,983,533	150	131	346,003	324,841
Coffee, green (mt)	1,023	1,026	2,619,605	2,652,467	98	92	246,377	236,095
Cocoa beans (mt)	193	242	325,966	378,711	15	6	20,343	12,111
Feeds and fodders	—	—	108,747	126,330	—	—	10,600	11,498
Protein meal (mt)	61	87	9,907	14,142	6	7	815	1,157
Beverages, Incl. distilled alcohol (hl)	11,086	11,952	1,217,726	1,316,629	1,017	1,107	110,698	114,872
Tobacco, unmanufactured (mt)	131	130	336,403	366,517	12	13	33,512	29,340
Hides, skins, and furskins	—	—	211,430	190,961	—	—	13,501	12,115
Oilseeds	—	—	79,951	79,681	—	—	6,186	7,898
Soybeans (mt)	6	4	1,649	903	(¹)	(¹)	9	3
Wool, unmanufactured (mt)	41	38	148,339	123,963	3	3	9,739	9,303
Cotton, unmanufactured (mt)	15	8	13,857	7,316	3	(¹)	3,166	475
Fats, oils, and greases (mt)	8	10	4,210	5,714	1	1	549	669
Vegetable oils and waxes (mt)	725	749	423,832	397,919	42	70	24,081	44,652
Rubber and allied gums (mt)	651	654	577,683	582,003	41	45	34,264	47,732
Other	—	—	907,947	1,174,009	—	—	88,299	85,616
Total	—	—	15,481,441	16,368,089	—	—	1,311,231	1,318,769

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204.622 lb. 1 hectoliter (hl) = 100 liters = 26.42008 gal.

U.S. agricultural exports

	October-September				September			
	1981/82	1982/83	1981/82	1982/83	1982	1983	1982	1983
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry	—	—	246,665	264,108	—	—	20,227	21,090
Meat and preps., excluding poultry (mt)	438	412	983,611	925,680	31	38	72,669	78,843
Dairy products, excluding eggs	—	—	367,804	348,002	—	—	21,073	32,673
Poultry and poultry products	—	—	578,967	451,083	—	—	38,274	38,090
Grains and preparations	—	—	16,076,994	13,859,809	—	—	1,010,813	1,333,461
Wheat and wheat flour (mt)	45,360	38,178	7,615,248	6,168,730	3,615	3,423	564,770	544,047
Rice, (mt)	2,911	2,276	1,148,522	874,340	155	295	56,592	101,949
Feed grains, excluding products (mt)	57,918	53,481	6,966,256	6,495,797	3,365	4,566	362,407	660,869
Other	—	—	346,968	320,942	—	—	27,044	26,596
Fruits, nuts, and preparations	—	—	1,969,196	1,881,949	—	—	153,988	162,523
Vegetables and preparations	—	—	1,442,087	989,402	—	—	66,697	70,990
Sugar & related products	—	—	174,846	107,568	—	—	8,735	20,384
Coffee, tea, cocoa, spices, etc. (mt) . .	49	46	213,941	193,040	5	4	19,635	16,735
Feeds and fodders	—	—	2,536,149	2,679,241	—	—	120,438	209,614
Protein meal (mt)	6,555	6,688	1,497,960	1,486,258	223	381	49,165	102,560
Beverages, excl. distilled alcohol (lit.) .	62,768	67,861	33,364	38,387	4,554	4,626	2,382	2,479
Tobacco, unmanufactured (mt)	254	245	1,486,481	1,487,156	12	13	70,977	87,514
Hides, skins, and furskins	—	—	1,021,249	997,499	—	—	59,145	75,049
Oilseeds	—	—	7,058,805	6,332,276	—	—	382,042	462,068
Soybeans (mt)	25,477	24,522	6,478,933	5,865,752	1,578	1,466	369,765	436,844
Wool and mohair (mt)	4	5	32,022	36,971	(¹)	(¹)	2,344	4,247
Cotton, excl. linters (mt)	1,487	1,136	2,141,141	1,682,924	81	73	114,510	114,744
Fats, oils, and greases (mt)	1,519	1,443	701,621	593,189	136	123	57,231	55,023
Vegetable oils and waxes (mt)	1,666	1,596	988,682	902,300	170	142	95,225	102,219
Rubber crude natural (mt)	11	11	21,578	19,434	1	1	2,287	1,542
Other	—	—	1,019,306	982,087	—	—	69,221	83,831
Total	—	—	39,094,509	34,771,205	—	—	2,388,113	2,973,119

¹ Less than 500,000.

Trade balance

	October-September		September	
	1981/82	1982/83	1982	1983
	\$ Mil.			
Exports:				
Agricultural	39,095	34,771	2,388	2,973
Nonagricultural	175,950	159,371	13,593	13,507
Total ¹	215,045	194,142	15,981	16,480
Imports:				
Agricultural	15,481	16,368	1,311	1,319
Nonagricultural	233,353	229,341	18,676	20,336
Total ²	248,834	245,709	19,987	21,655
Trade balance:				
Agricultural	23,614	18,403	1,077	1,654
Nonagricultural	-57,403	-69,970	-5,083	-6,829
Total	-33,789	-51,567	-4,006	-5,175

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

World Agricultural Production

World supply and utilization of major crops

	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83 F	1983/84 F
	Mil. units						
Wheat:							
Area (hectare)	227.1	228.9	227.6	236.6	240.4	239.8	228.4
Production (metric ton)	384.1	446.8	422.8	442.0	450.4	480.9	487.9
Exports (metric ton) ¹	72.8	72.0	86.0	94.1	101.2	98.1	100.7
Consumption (metric ton) ²	399.3	430.2	443.5	444.3	445.5	469.8	480.4
Ending stocks (metric ton) ³	84.3	100.9	80.4	80.6	85.5	96.7	104.1
Coarse grains:							
Area (hectare)	345.1	342.8	341.1	342.3	349.9	339.2	336.5
Production (metric ton)	700.6	753.6	741.5	730.8	770.5	783.0	688.4
Exports (metric ton) ¹	84.0	90.2	98.8	107.9	98.1	90.8	89.4
Consumption (metric ton) ²	692.0	748.1	740.3	741.2	739.4	759.7	759.6
Ending stocks (metric ton) ³	85.9	91.2	91.6	83.3	114.3	137.6	66.4
Rice, milled:							
Area (hectare)	143.2	144.1	143.1	144.5	145.1	140.5	144.4
Production (metric ton)	249.0	260.7	253.9	267.2	280.4	286.3	295.9
Exports (metric ton) ⁴	9.5	11.6	12.7	12.9	11.9	12.3	12.0
Consumption (metric ton) ²	244.0	255.8	257.8	268.3	281.4	290.7	296.8
Ending stocks (metric ton) ³	22.8	27.7	23.4	22.2	21.2	16.8	15.8
Total grains:							
Area (hectare)	715.8	715.8	711.8	723.4	735.4	719.5	709.3
Production (metric ton)	1,333.8	1,461.1	1,418.2	1,440.0	1,501.3	1,550.2	1,472.2
Exports (metric ton) ¹	166.2	173.8	197.5	214.9	211.2	201.2	202.1
Consumption (metric ton) ²	1,336.3	1,434.1	1,441.9	1,453.8	1,466.3	1,620.2	1,536.8
Ending stocks (metric ton) ³	193.1	219.8	195.4	186.1	221.0	251.1	186.3
Oilseeds and meals:^{4, 5}							
Production (metric ton)	78.4	82.1	89.8	87.4	92.5	98.1	88.1
Trade (metric ton)	38.8	40.6	46.2	44.1	46.5	47.3	47.9
Fats and Oils:⁵							
Production (metric ton)	46.3	48.5	51.9	52.4	55.2	58.2	56.1
Trade (metric ton)	18.3	19.3	20.8	20.0	21.0	21.2	21.0
Cotton:							
Area (hectare)	32.8	32.4	32.2	32.4	33.2	32.3	31.7
Production (bale)	64.1	60.0	65.5	65.3	70.8	67.6	67.5
Exports (bale)	19.1	19.8	22.7	19.7	20.2	18.5	18.5
Consumption (bale)	60.0	62.4	65.3	65.8	65.5	67.7	69.6
Ending stocks (bale)	25.0	22.1	23.0	23.6	28.7	28.7	26.7

F = Forecast. ¹ Excludes intra-EC trade. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1977 data correspond with 1976/77, etc. Excludes safflower, sesame, and castor oil.

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Note: Each issue of *Agricultural Outlook* contains
highlights of the situation and outlook for the following
commodities—

- **Livestock:** cattle, hogs, broilers, eggs, turkeys, dairy.
- **Crops:** wheat, rice, feed grains, oilseeds, cotton,
peanuts, tobacco, sugar, vegetables, fruit.

Before November 1980, these commodity summaries were
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Agriculture in Western Europe

Western Europe accounted for \$11.8 billion or 27 percent of U.S. agricultural exports in 1981. The European Community (EC), a grouping of 10 countries within Western Europe, is the largest customer for U.S. agricultural exports. The value of our farm commodities shipped to the EC totaled \$9.1 billion in 1981. Spain is our major market in Western Europe outside the EC, although other non-EC countries are important outlets. Sweden, for example, took \$187 million of U.S. ag products in 1981. With U.S. agricultural policy and exports so closely linked to events and trends in the European market, a number of research studies have been carried out to gain a fuller understanding of agricultural policies and future developments in Western Europe. Three reports available through GPO examine the effects of EC and Swedish agriculture on U.S. agricultural policy and exports:

Developments in the Common Agricultural Policy of the European Community examines the directions the EC's Common Agricultural Policy (CAP) may take in order to avert a budget crisis and reports the implications for trade with the U.S. and other countries. According to authors Timothy Josling and Scott Pearson, the ever-increasing farm subsidies prescribed by the CAP will seriously harm the EC's ability to meet other policy needs and will hinder enlargement of the Community to include Spain and Portugal. EC policymakers may have to either keep prices low directly or with producer

taxes, or limit quantities covered by subsidies. June 1982. 88 pp. \$5.50.

The EC Market for U.S. Agricultural Exports: A Share Analysis assesses the market potential for all major U.S. ag exports to the EC. Author Harold McNitt finds that the United States will continue as a leading supplier to the EC of soybeans, sunflowerseed, corn and corn gluten feed, peanuts, citrus pulp, some animal products, and soybean meal during 1981-85. EC trade policies, however, sharply restrict imports of most fruits and vegetables, processed foods, and meats. March 1983. 92 pp. \$5.00.

Sweden's Agricultural Policy, one of the few English sources on contemporary Swedish agricultural policy, covers the major provisions of Sweden's 1982-84 farm program. "An accurate and concise presentation," says the Swedish Ambassador to the United States. Sweden's policy objectives are to reduce government subsidies for agricultural exports (a major aim of U.S. world trade policy), to cut back on consumer food subsidies and farmer compensation programs, and to make the levies on imports more responsive to market conditions. Chief U.S. exports to Sweden include fruits, vegetables, nuts, and tobacco, which are relatively unaffected by Swedish import levies, and grains. October 1982. 44 pp. \$4.25.

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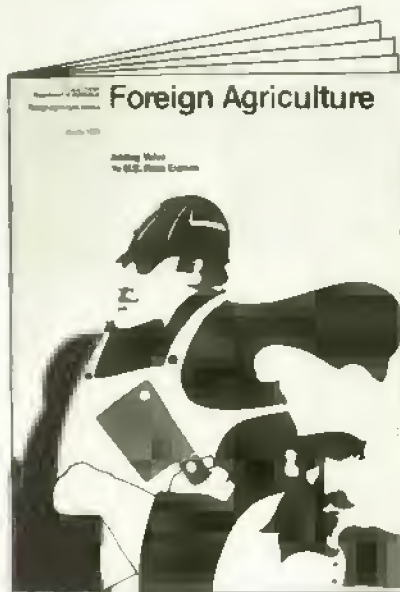
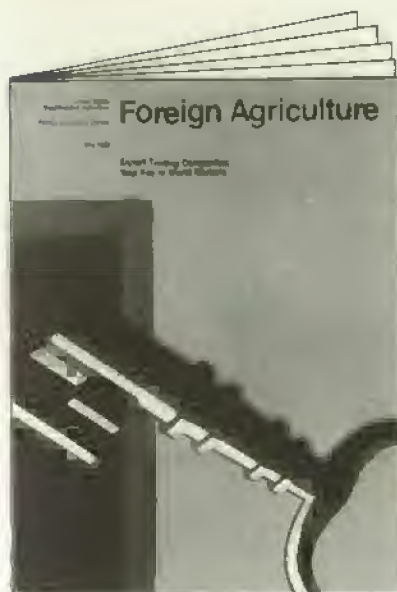
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